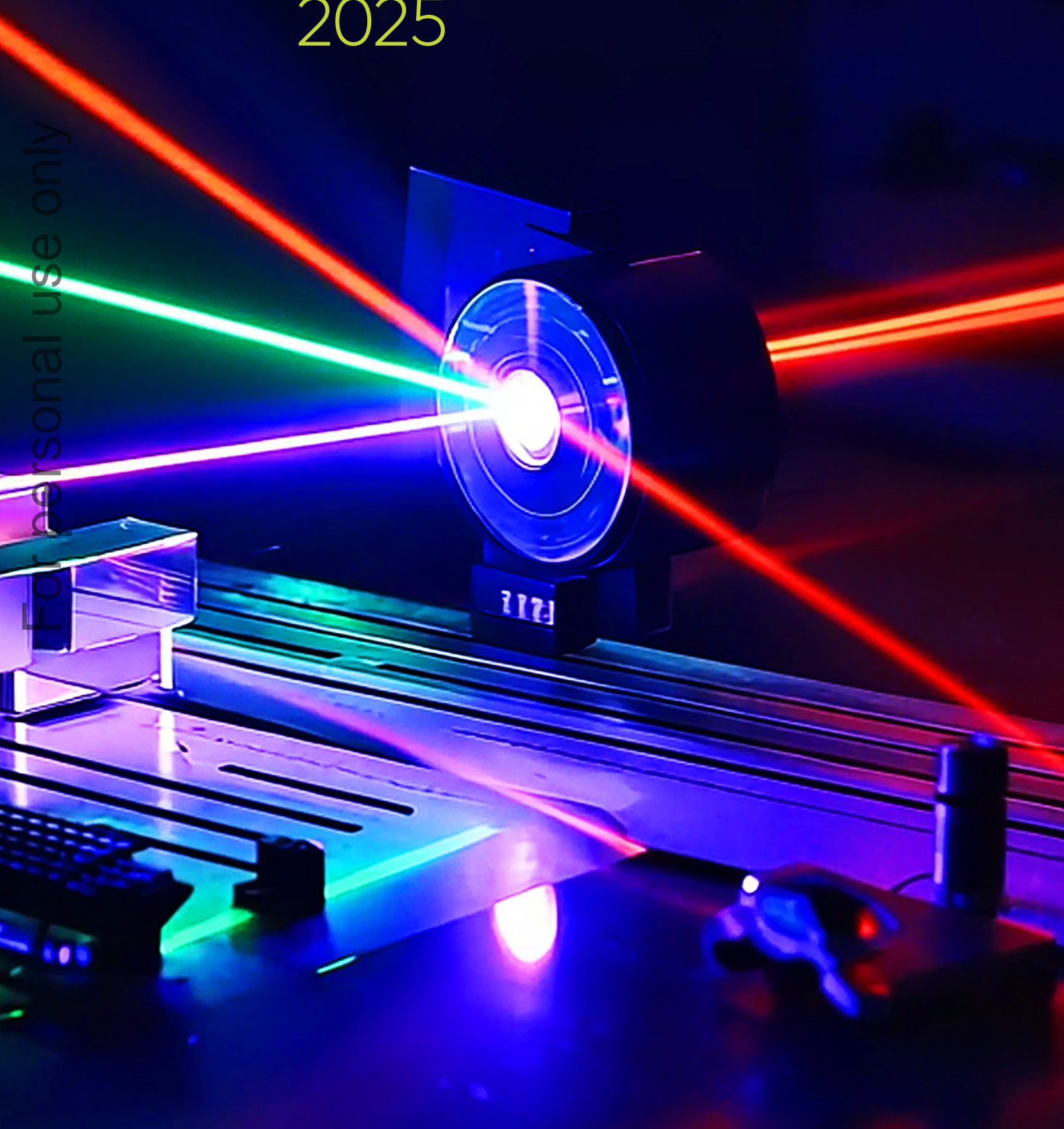




Silex

# Annual Report 2025

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## Contents

2	Highlights and Progress
3	Our ESG Commitment
4	Chair's and CEO's Report
8	About Silex
20	Directors' Report
43	Auditor's Independence Declaration
44	Corporate Governance Statement
45	Annual Financial Report
86	Consolidated entity disclosure statement
87	Directors' declaration
88	Independent auditor's report
93	Shareholder Information
95	Corporate Directory

## Important Notice

### About Silex Systems Limited (ASX: SLX) (OTCQX: SILXY)

Silex Systems Limited ABN 69 003 372 067 (Silex or Company) is a technology commercialisation company, the primary asset of which is the SILEX laser enrichment technology (SILEX technology), originally developed at the Company's technology facility in Sydney, Australia. The SILEX technology has been under development for uranium enrichment jointly with US-based exclusive licensee, Global Laser Enrichment LLC (GLE), for a number of years. Success of the SILEX uranium enrichment technology development program and the proposed Paducah commercial project remain subject to a number of factors, including the satisfactory completion of the TRL-6 Pilot Demonstration program, nuclear fuel market conditions, industry and government support, project feasibility, and commercial plant licensing, and, therefore, remains subject to associated risks.

Silex also is at various stages of development of additional commercial applications of the SILEX technology, including the production of 'Quantum Silicon' (Q-Si) for the emerging technology of silicon-based quantum computing. The Q-Si Project remains dependent on the outcomes of the Project, as well as the successful development of silicon-based quantum computing technology by third parties, and is, therefore, subject to various risks. Silex also is conducting early-stage research activities in its Medical Isotope Separation Technology (MIST) Project, which also is subject to various risks and outcomes. The commercial future of the SILEX technology in application to uranium, silicon, medical, and other isotopes therefore is uncertain, and any plans for commercial deployment are speculative.

### Forward Looking Statements

The commercial potential of the abovementioned technologies and activities is currently unknown. Accordingly, no guarantees as to the future performance of these technologies can be made. The nature of the statements in this Report regarding the future of the SILEX technology as applied to uranium enrichment, Q-Si production, medical and other isotope separation projects, and any associated commercial prospects, including TRL-6 achievement and other commercialisation milestones at GLE, are forward-looking and are subject to a number of variables, including, but not limited to, known and unknown risks, contingencies, and assumptions that may be beyond the control of Silex, its directors, and management. You should not place reliance on any forward-looking statements as actual results could be materially different from those expressed or implied by such forward-looking statements, as a result of various risk factors. Further, the forward-looking statements contained in this disclosure involve subjective judgement and analysis and, accordingly, are subject to: change at any time due to variations in the outlook for, and management of, Silex's business activities (including project outcomes); changes in industry trends and government policies; and new or unforeseen circumstances. The Company's management believes that there are reasonable grounds to make such statements as at the date of this disclosure. Silex does not intend, and is not obligated, to update the forward-looking statements except to the extent required by law or the ASX Listing Rules. None of Silex, its related companies, or any of their respective officers, directors, employees, affiliates, partners, representatives, consultants, agents, or advisers makes any representation or warranty as to the accuracy of any forward-looking statements contained in this Report.

### Not Advice

Information in this Report, including forecast financial information, should not be considered as investment, legal, tax, or other advice. You should make your own assessment and seek independent professional advice in connection with any investment decision.

### Risk Factors

Risk factors that could affect the future results and commercial prospects of Silex include, but are not limited to: ongoing economic and social uncertainty, including in relation to global economic stresses, such as interest rates; inflation; tariffs (including tariffs imposed by the United States); geopolitical risks, in particular, those relating to Russia's invasion of Ukraine and tensions between China and Taiwan, which may affect global supply chains and capital markets; uncertainties related to the effects of climate change and mitigation efforts; the results of the GLE/SILEX uranium enrichment Pilot Demonstration (TRL-6) program; the market demand for natural uranium and enriched uranium; the outcome of the Q-Si Project for the production of enriched silicon for the emerging silicon-based quantum computing industry; the outcome of the MIST Project; the potential development of, or competition from, alternative technologies; the regulatory changes and evolving eligibility criteria under the *US Inflation Reduction Act* (2022) and the *Nuclear Fuel Security Act* (2023) the potential for third party claims against the Company's ownership of Intellectual Property; the potential impact of prevailing laws or government regulations or policies in the US, Australia, or elsewhere; actions taken by the Company's commercialisation partners and other stakeholders that could adversely affect the technology development programs and commercialisation strategies of Silex; and the outcomes of various strategies and projects undertaken by the Company.



**Silex Systems Limited (Silex) is an Australian technology company focused on the commercialisation of its innovative SILEX laser-based enrichment technology for application to three key global markets:**



**Uranium production and enrichment**  
(nuclear power)



**Silicon enrichment**  
(silicon quantum computing)



**Medical isotope enrichment**  
(new cancer therapies)

**Our strategy is focused on extracting maximum value from our core SILEX technology and expertise.**

## Highlights and Progress

### The SILEX Laser Uranium Enrichment Technology:

- The principal focus of Silex is on the commercialisation of our unique, third-generation SILEX laser-based uranium enrichment technology for nuclear fuel production, in conjunction with exclusive licensee, US-based Global Laser Enrichment LLC (GLE);
- GLE commenced large-scale enrichment testing for the SILEX technology TRL-6<sup>(1)</sup> demonstration program in May 2025 at its Wilmington, NC, Test Loop facility. This large-scale pilot demonstration project represents a key milestone in advancing the SILEX technology towards commercial readiness;
- As at the date of this Annual Report, the Test Loop is operating routinely as an integrated enrichment system, with multiple test runs being performed most weeks. The GLE team is seeing positive enrichment results and expected throughputs, but continues to work through a structured test and optimisation plan to improve performance as part of the normal course of TRL-6 activities;
- All results of the pilot demonstration project will be subject to assessment by an independent engineering contractor, which has been engaged by GLE on behalf of its joint venture owners, Silex and Cameco;
- Testing is expected to continue over the next two to three months. Subject to the independent assessment of test results against the agreed acceptance criteria, and absent any unforeseen delays, GLE expects to receive the completed TRL-6 validation report by the end of CY2025;
- GLE acquired a ~700-acre parcel of land in Paducah, Western Kentucky (KY), for the planned Paducah Laser Enrichment Facility (PLEF) in November 2024. The site is strategically located adjacent to the US Department of Energy's (DOE) former first-generation Paducah Gaseous Diffusion Plant (PGDP), and provides access to the cylinder yards where over 200,000 metric tonnes of tails inventories are stored – to be used as feed for the planned PLEF;
- In December 2024, GLE was selected by the DOE as one of six awardees under the DOE's LEU<sup>(2)</sup> Enrichment Acquisition Request for Proposals (LEU RFP) program. The program, which is designed to incentivise the establishment of new LEU enrichment capacity in the US by the end of 2031, provides a maximum aggregate value for all awardees totalling US\$3.4bn. GLE was awarded an initial US\$0.5m under Task Order 1 of the program in April 2025;
- In August 2025, the DOE issued the solicitation for Task Order 2 (TO2) under the LEU RFP, inviting GLE to bid for up to US\$900m in competitive funding, with bids due in early September 2025. While the outcome of this bid is unknown, any funding awarded to GLE under TO2 has the potential to help offset the significant funding contributions that GLE's owners, Silex and Cameco, would need to provide;
- In addition to the LEU RFP, in March 2025, GLE submitted its response to the High-Assay LEU (HALEU) Nuclear Fuel Supply Chain Innovative Technology Notice of Funding Opportunity (NOFO), under which GLE could attract up to US\$24m of funding;
- GLE submitted its Safety Analysis Report (SAR) to the US Nuclear Regulatory Commission (NRC) in July 2025. This followed GLE's December 2024 submission of its Environmental Report, and completed GLE's full licence application for NRC review;
- On 4 August 2025, the NRC completed its acceptance review of GLE's full licence application for the PLEF. The acceptance notice triggers commencement of NRC's formal review, which is hoped to be completed expeditiously. GLE is the first in line with the NRC to seek a licence for a new uranium enrichment facility in the US.

### Other Highlights:

- Construction of the first full-scale Quantum Silicon (Q-Si) Production Plant module progressed during the year at the Company's Lucas Heights facility;
- On 7 August 2025, Silex announced that it had completed a \$130m institutional placement to primarily support the commercialisation of the SILEX uranium enrichment technology in the US through exclusive licensee GLE, and, additionally, to pursue other isotope enrichment opportunities, to fund working capital, and for other general corporate purposes. Approximately 33.3 million new fully paid ordinary shares were issued at an offer price of \$3.90 on 14 August 2025. In addition to the Placement, Silex announced a Share Purchase Plan (SPP) to raise up to a further \$15m. As at the date of this Annual Report, the SPP remains open to eligible shareholders.

1. Technology Readiness Level 6 (TRL-6), as defined by DOE Technology Readiness Assessment Guide (G413.3-4A).  
2. Low Enriched Uranium (LEU).



## Our ESG Commitment

Our drive for success at Silex focuses on having a positive impact on our stakeholders and the world at large. Sustainability is core to our mission and values, and is achieved by prioritising the health and safety of our people and ensuring environmental responsibility in everything we do.

We are focused on delivering value through the responsible development and commercialisation of our technology and by continually addressing any potential social and environmental impacts of our operations.

At Silex, we have a well-defined Environmental, Social and Governance (ESG) commitment, with three focus areas:

1. Health, safety, and wellbeing of our people
2. Environmental responsibility
3. Strong corporate governance



### Health, safety, and wellbeing

At the core of our ESG commitment is the health, safety, and wellbeing of our people, and the safety of our operations and the communities in which we operate. We pro-actively manage our WHS Management System with in-house and third party WHS specialists to ensure risks and hazards in our workplace are appropriately addressed and mitigated on a continuous basis.

Furthermore, our workplace ethics are defined by respect for each other and embracing diversity and inclusion. We recognise the benefits of diversity and promoting equal opportunities at all times.



### Environment

We are committed to bringing innovative technologies to market that can have a positive impact on the global environment. In particular, our SILEX technology is currently focused on:

- improving efficiencies and reliability in nuclear fuel production for the generation of zero-emissions electricity from nuclear power and contributing to climate change mitigation efforts;
- developing sovereign capability for production of isotopically engineered materials that are key to enabling next-generation quantum computing and nuclear medicine technologies, potentially providing humanity with disruptive tools to solve global-scale environmental and social issues.

At the same time, we are committed to protecting the environment in which we operate by mitigating any potential risks or impacts of our activities.



### Governance

Silex is committed to demonstrating the highest standards of corporate governance. The Board's focus is on enhancing the interests of shareholders and other key stakeholders while ensuring the Company is operating responsibly so that risks are effectively managed or mitigated and our operations are consistent with our ESG commitments at all times.

## Chair's and CEO's Report



CRAIG ROY  
CHAIR

MICHAEL GOLDSWORTHY  
CEO/MANAGING DIRECTOR

### Dear Fellow Shareholders,

The past year has seen the continuation of the most positive tailwinds for the global nuclear industry that we have seen for decades, which have set the industry on a path toward the greatest expansion of nuclear energy capacity the world has ever witnessed. Against this backdrop, Silex and Global Laser Enrichment (GLE), the exclusive licensee of the SILEX laser-based uranium enrichment technology, have continued to make significant progress in the commercialisation of the SILEX uranium enrichment technology, with the key pilot demonstration program advancing at GLE's Test Loop facility in Wilmington, North Carolina (NC).

Should GLE achieve a positive outcome in the demonstration program, the SILEX technology will become the first laser enrichment technology in the world to be validated at large-scale pilot level. This will be a pivotal moment in your Company's history, with over two decades of world-class research, development, and engineering potentially culminating in our cutting-edge technology being largely de-risked and set on a path for commercial deployment at the planned Paducah Laser Enrichment Facility (PLEF) in Kentucky no later than 2030.

As you would be aware, the global nuclear renaissance is gathering momentum, as evidenced in the granting of life extensions for existing reactors, the planned return to service of idled reactors, including restarts announced in response to surging electricity demand from AI and hyperscalers, as well as construction of, and planning for, hundreds of new nuclear power units around the world. Furthermore, a significant proportion of the expansion in nuclear capacity may be provided by next-generation advanced reactors, including small modular reactors (SMRs), which could provide more flexibility and significantly lower costs.

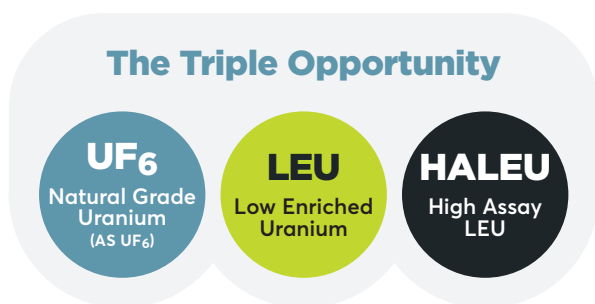
In response to these macro issues, major legislative measures have been passed by the US Congress in recent years, and four key executive orders relating to the expansion of nuclear energy in the US, GLE's principal market, were signed by the President Trump in May 2025. Put simply, the US has moved decisively to re-establish itself as the global leader in the civilian nuclear power after nearly four decades of ambivalence and underinvestment. US-based GLE could benefit materially from these initiatives as the company progresses its commercialisation plans, as outlined below.

GLE's owners, Silex (51%) and Cameco Corporation (49%), continue to support activities associated with the large-scale pilot demonstration program being undertaken in Wilmington, NC, with the aim of completing the testing and validation program by the end of 2025, including the submission of a report from an independent engineering contractor that will oversee the assessment on behalf of GLE's owners.

During the year, we also continued to strengthen and diversify the business case for the SILEX technology, including progressing the construction of the first commercial production module utilising SILEX technology for the manufacture of Quantum Silicon (Q-Si) products and through work on the Medical Isotope Separation Technology (MIST) Project, which is an early-stage project at bench scale.



## Chair's and CEO's Report



### Nuclear Fuel Markets and the Triple Opportunity

Events over the past few years have had a profound effect on nuclear fuel markets, underpinned by the strong fundamentals for nuclear power as a reliable, baseload source of electricity for the world's clean energy needs, as highlighted by the aforementioned macro factors.

In particular, geopolitical concerns and the climate crisis have caused many countries to prioritise government energy policy initiatives to achieve urgent decarbonisation targets and to accelerate energy security measures through sovereign energy platforms. These factors, coupled with potential disruptions in the Western nuclear fuel supply chain precipitated by the Russian invasion of Ukraine, have resulted in market conditions and opportunities that have not previously been seen in the nuclear industry.

With Russia currently providing the global nuclear industry with ~14% of its uranium requirements, ~22% of its conversion services, and ~44% of enrichment capacity, Western governments and utilities are seeking to establish new, secure nuclear fuel production capabilities free of Russian (and Chinese) influence.

We believe Western nuclear fuel markets will continue to undergo a fundamental realignment over the next few years, resulting in a more resilient and sustainable footing in the Western nuclear fuel supply chain. This realignment could endure for decades, given the renewed focus on long-term energy security.

In this context, commercialisation of the SILEX uranium enrichment technology in the US provides GLE with the unique opportunity to produce all three grades of nuclear fuel required for current and future nuclear plants at the proposed PLEF, which we call the 'Triple Opportunity':

- 1) production of natural grade uranium in the form of converted UF<sub>6</sub>;
- 2) production of low enriched uranium (LEU/LEU+) for existing and future nuclear power plants; and
- 3) production of high assay LEU (HALEU) fuel for next-generation advanced reactors, including Small Modular Reactors (SMRs).

Subject to various factors, including the successful completion of TRL-6 pilot demonstration program, industry and government support, a feasibility study for the PLEF, and supportive market conditions, GLE will continue to advance its commercialisation activities to support the potential commencement of commercial operations at the PLEF. Importantly, successful completion of the pilot demonstration project would result in the technology reaching TRL-6 level – a key milestone in the de-risking of the technology and a pre-requisite for the transition of GLE's focus from technology engineering toward PLEF commercial plant deployment.

## Chair's and CEO's Report

### GLE's Commercialisation Program

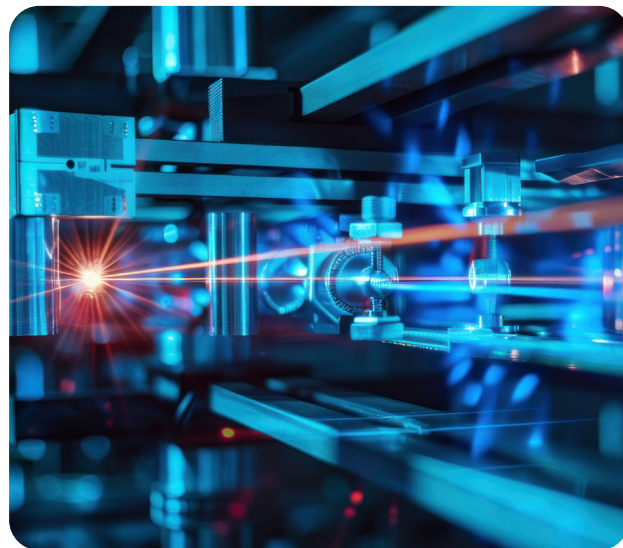
During the year, GLE made considerable progress in key commercialisation activities in parallel with the TRL-6 pilot demonstration program.

Importantly, GLE acquired a ~700-acre parcel of land in Paducah, Western Kentucky (KY), for the planned PLEF in November 2024. The site is strategically located adjacent the US Department of Energy's (DOE) former first-generation Paducah Gaseous Diffusion Plant (PGDP), and provides access to the cylinder yards where over 200,000 metric tonnes of tails inventories are stored – to be used as feed for the planned PLEF. GLE has exclusive access to these inventories, which will be used to produce natural grade UF<sub>6</sub> with the SILEX technology at an equivalent annual output rate of up to 5 million pounds of uranium for three decades.

Under the *Nuclear Fuel Security Act*, GLE was selected by the DOE in December 2024 as one of six awardees under its Low Enriched Uranium Enrichment Acquisition (LEU RFP) program, which aims to build domestic enrichment capacity, promote market and technology diversity, and provide a reliable supply of commercial nuclear fuel to support US energy security free from Russian influence. The award provides a maximum aggregate value for all awardees totalling US\$3.4bn, including over US\$2.7bn in funds already appropriated by Congress. GLE was awarded an initial US\$0.5m-funded Task Order in April 2025.

On 1 August 2025, the DOE issued the solicitation for Task Order 2 (TO2) under the LEU RFP program, inviting GLE to bid for up to US\$900m in competitive funding. While the outcome of, and timing for a decision on this bid is unknown, any funding awarded to GLE under TO2 has the potential to help offset the significant funding contributions that GLE's owners, Silex and Cameco, would need to provide.

GLE also submitted its Safety Analysis Report to the US Nuclear Regulatory Commission (NRC) in July 2025, marking a significant milestone for the planned PLEF and completing GLE's full licence application for NRC review. The NRC completed its acceptance review of GLE's licence application for the PLEF in August 2025, confirming that the application is sufficiently complete to proceed to formal review.



During the year, Silex and GLE also advanced technology maturation (TRL-7) and manufacturing activities (MRL-7), including the establishment and operation of significant in-house classified manufacturing capability at GLE's headquarters in Wilmington to support the commercialisation program. This included installation of a third full-scale laser system module, designed and built at Silex's Lucas Heights facility, at GLE's headquarters. This advanced laser system is being used for TRL-7 and MRL-7 activities.

We believe that the SILEX technology, the only third-generation laser-based uranium enrichment technology known to be in the advanced stages of commercial development today, could make the production of nuclear fuel more efficient and cost-effective compared to existing methods, and ultimately help the nuclear renaissance provide advanced technologies and solutions for resilient, affordable, and sustainable carbon-free, baseload electricity generation.

### Quantum Silicon Production Project

During the year, Silex continued to make substantial progress on the construction of the Q-Si production module, including in-house laser and plant component manufacture at its Lucas Heights facility. In addition, Silex continued to engage with silicon-based quantum computing developers and other potential industrial users of Q-Si to develop a customer base for the Company's products and we remain excited about the potential for our Q-Si Project.



## Chair's and CEO's Report

### Prioritising Health and Safety, and ESG

Core to our operations and values is the prioritisation of the health, safety, and wellbeing of our team members. During the year, we reported one lost time injury. We always learn from such incidents and strive further to manage work health and safety risks across our work sites.

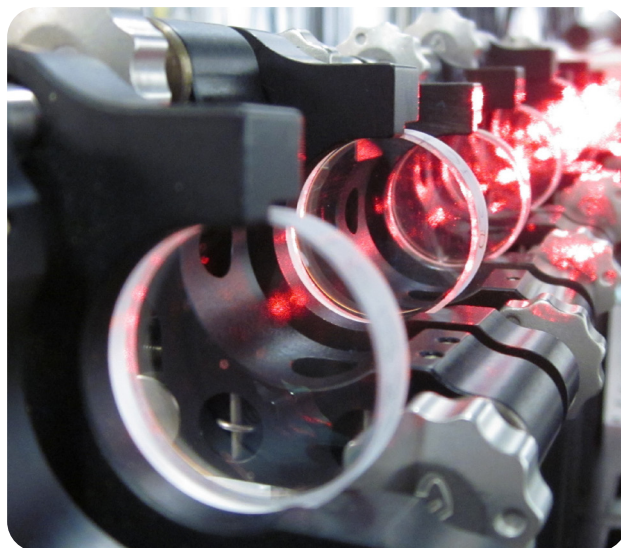
Silex has strong Environmental, Social and Governance (ESG) credentials, and our activities at all times support our mission to be environmentally responsible. Our focus on environmental sustainability is underpinned by our aspirations in the nuclear fuel industry, which will help make zero-emissions nuclear energy more affordable and potentially lead to greater uptake of this critical technology. Furthermore, our focus on social responsibility is leveraged through our Q-Si Production Project for silicon-based quantum computers, an emerging technology that will drive innovation and solutions to many of society's intractable problems, such as climate change, and more affordable nuclear medicine treatment.

### The Silex and GLE Teams

Our exceptionally talented teams at Silex and GLE are the essence of our business and at the core of our activities and achievements. Collectively, we are focused on harnessing creativity and excellence in technology innovation. We recruit carefully and strategically to ensure that we have the right people and expertise to deliver on our priorities and ultimately to create value for you, our shareholders.

We would like to thank the Silex and GLE teams for their commitment and tenacity over the past year, and we extend our gratitude to our fellow Directors for their continued support and leadership of the Company's strategy. We also would like to take this opportunity to thank you, our shareholders, for your ongoing support, particularly those existing and new shareholders who participated in the recent equity raise.

With the strongest tailwinds ever seen for the nuclear fuel markets and the current focus on completion of the key large-scale pilot demonstration program, the outlook for your Company is very encouraging. Furthermore, the potential to supply unique high-value isotopes for other global industries represents key opportunities for Silex to deliver additional long-term value for shareholders.



We look forward to providing a further update at the 2025 Annual General Meeting.

**Craig Roy**  
Chair

27 August 2025

**Michael Goldsworthy**  
CEO/Managing Director

## About Silex

### Our Strategy

We are committed to the commercialisation of our innovative SILEX laser enrichment technology across multiple global markets, with a primary focus on contributing to the reliable and sustainable supply of nuclear fuel for the global nuclear power industry, a vital enabler of the world's energy security and clean energy needs.

The execution of this strategy focuses on the pursuit of the 'Triple Opportunity' in the global nuclear fuel supply chain for the SILEX uranium enrichment technology, through exclusive uranium enrichment technology licensee, GLE.



### SILEX Laser Uranium Enrichment Technology invented in Australia

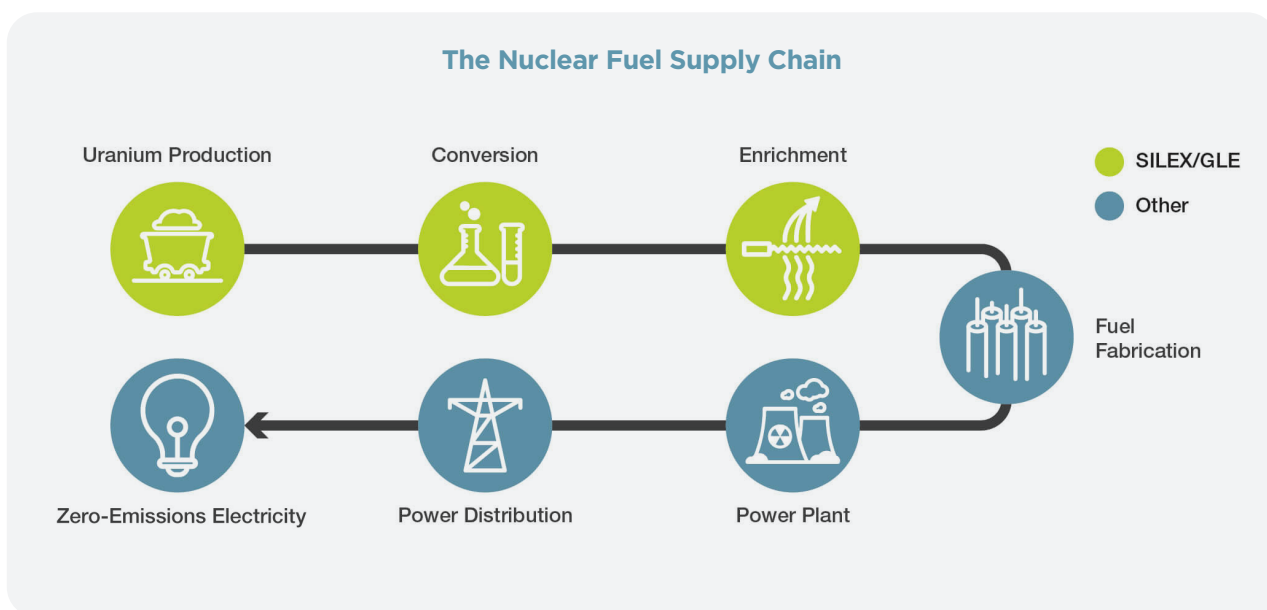
The SILEX laser uranium enrichment technology was invented by Silex Systems scientists Dr Michael Goldsworthy (our CEO) and Dr Horst Struve (retired), in the 1990s at Lucas Heights, Sydney. In order to facilitate the potential commercial deployment of the technology in the United States, an Agreement for Cooperation between the governments of the United States and Australia was signed in May 2000.

In June 2001, the technology was officially Classified by the United States and Australian governments, bringing the SILEX technology commercialisation project formally under the strict nuclear safeguards, security, and regulatory protocols of each country.

Since 2006, the development and commercialisation program for the SILEX uranium enrichment technology is being undertaken jointly by Silex (at its Lucas Heights, Sydney facility) and US-based GLE – the exclusive licensee and commercialisation vehicle for the SILEX uranium enrichment technology (with sites in Wilmington, NC and Paducah, KY). GLE is a jointly-controlled venture between Silex and Canadian-based Cameco Corporation, one of the world's leading uranium producers and nuclear fuel suppliers, with 51% and 49% ownership interest respectively.

### The Nuclear Fuel Supply Chain

Uranium production, conversion, and enrichment are the key value drivers of the nuclear fuel supply chain, accounting for nearly 85% of the value of a reactor fuel bundle. Importantly, successful commercialisation of the SILEX uranium enrichment technology through licensee GLE could create leverage into all three of these nuclear fuel supply chain sectors, and could enable the SILEX technology to become a unique, nuclear fuel production platform for existing and emerging nuclear power generation systems.





## About Silex

### Uranium Enrichment

Naturally occurring uranium consists of two main isotopes,  $U^{235}$  and  $U^{238}$ . Nuclear energy is produced by the splitting (or 'fission') of the  $U^{235}$  atoms. Natural uranium is made up of ~0.7% of the 'active'  $U^{235}$  isotope, with the balance (~99.3%) comprised of the inactive  $U^{238}$  isotope. Uranium enrichment is the process of concentrating or enriching the  $U^{235}$  isotope for use as fuel in a conventional nuclear power reactor. Enrichment is a technically difficult process and accounts for around 30% of the cost of nuclear fuel and approximately 5% of the total cost of the electricity generated by nuclear power.

The **S**eparation of **I**sotopes by **L**aser **E**Xcitation (SILEX) process is the only third-generation enrichment technology known to be in the advanced stages of commercial development today. The SILEX technology can effectively enrich uranium through highly selective laser excitation of the  $^{235}UF_6$  isotopic molecule to produce 'reactor fuel grade' uranium, which contains an assay of  $U^{235}$  of around 5%. Uranium hexafluoride ( $UF_6$ ) is the fluorinated gaseous form of uranium, which is made via chemical conversion from the uranium oxide produced by miners.

The two methods of uranium enrichment used to date are Gas Diffusion (first generation – obsolete) and Gas Centrifuge (second generation). Silex's third-generation laser-based process provides much higher enrichment process efficiency and throughput compared to these earlier methods, potentially offering lower overall costs.

### Key features of the SILEX Uranium Enrichment Technology

The SILEX technology is a unique laser-based process that has the potential to economically separate uranium isotopes (as well as other commercially valuable isotopes).

It has a number of advantages over other uranium enrichment processes, including:

- inherently higher efficiency and throughput, resulting in lower enrichment costs;
- smaller environmental footprint than centrifuge and diffusion plants;
- greater flexibility in producing fuels for advanced reactors, including SMRs; and
- anticipated lowest capital costs.

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### Evolution of Enrichment Technology

#### 1st Generation Technology

##### Gaseous Diffusion

Very low efficiency – tails legacy

High cost

Obsolete



#### 2nd Generation Technology

##### Centrifuge

Modest efficiency

Moderate cost

Current technology



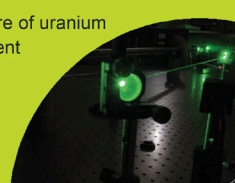
#### 3rd Generation Technology

##### SILEX Laser

Higher efficiency and throughput

Anticipated to be lower cost

The future of uranium enrichment



SILEX laser process → higher separation efficiency and throughput vs centrifuge technology

## SILEX Uranium Enrichment for Nuclear Fuel Production Overview and Future Prospects

### The 'Triple Opportunity' for GLE and the SILEX Technology

GLE's path to market is focused on its ability to address the 'Triple Opportunity' for nuclear fuel production, which has emerged as a result of international developments that are driving a transformation of the global nuclear fuel supply chain:

- the uptake of nuclear power globally – in response to heightened concerns about climate change and the need to establish emissions-free electrical energy systems;
- rapidly increasing global demand for electricity, driven by electrification of transport and industry, and, more recently, large investments in Artificial Intelligence (AI), cloud computing, and data centres – as evidenced by partnerships between hyperscalers (Amazon, Google, Microsoft, etc.) and nuclear power utilities;
- the impact of geopolitical tensions on global energy security;
- in the US, various pieces of nuclear industry-enabling legislation and executive orders.

### The 'Triple Opportunity' could involve production of three different grades of nuclear fuel in the US by GLE:

1. **PLEF UF<sub>6</sub> Production:** production of natural grade UF<sub>6</sub> (with U<sup>235</sup> assays of 0.7%) via processing of depleted UF<sub>6</sub> tails (U<sup>235</sup> assays of 0.25% to 0.5%) with the SILEX technology, which, being already converted, would also help alleviate UF<sub>6</sub> conversion supply pressures
2. **PLEF LEU Production:** production of LEU (U<sup>235</sup> assays up to 5%) and LEU+ (assays from 5% to 10%) achieved with additional SILEX enrichment capacity – to supply fuel for existing and future large-scale conventional and advanced reactors
3. **PLEF HALEU Production:** production of HALEU (U<sup>235</sup> assays up to ~20%) via enrichment with the SILEX technology – to supply fuel for next-generation advanced reactors, including SMRs

PLEF  
NUF<sub>6</sub>  
PRODUCTION

PLEF  
LEU  
PRODUCTION

PLEF  
HALEU  
PRODUCTION

### PLEF Commercial Plant Opportunities

The PLEF is the only potential single-site solution for US-based uranium, conversion, and enrichment production.

The PLEF commercial plant opportunities are underpinned by a 2016 agreement between GLE and the DOE, which, through the acquisition of over 200,000 metric tonnes of depleted tails owned by the DOE, provides the feedstock for the production of natural grade UF<sub>6</sub> for up to 30 years. The output of the proposed plant would be sold into the global uranium market at an expected production rate equivalent to a uranium mine with an annual output of up to 5 million pounds of uranium oxide, which would rank in the top 10 of today's uranium mines. Preliminary analysis by Silex of PLEF UF<sub>6</sub> Production indicates it could rank equal to a 'Tier 1' uranium project based on current estimates of longevity and low cost of production.

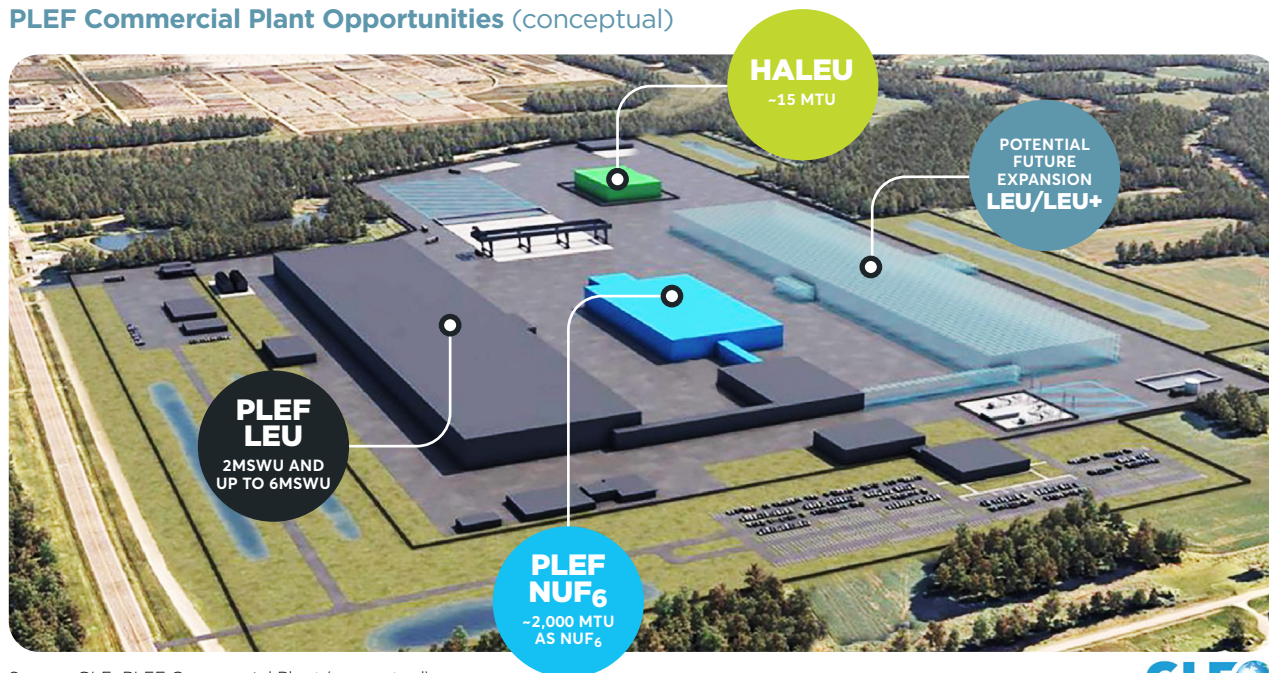
In July 2025, GLE submitted its full NRC licence application for the planned PLEF. On 4 August 2025, the NRC completed its acceptance review of GLE's full licence application. The acceptance notice triggers commencement of NRC's formal review, which is hoped to be completed expeditiously.

GLE is the first in line with the NRC to seek a licence for a new uranium enrichment facility in the US.



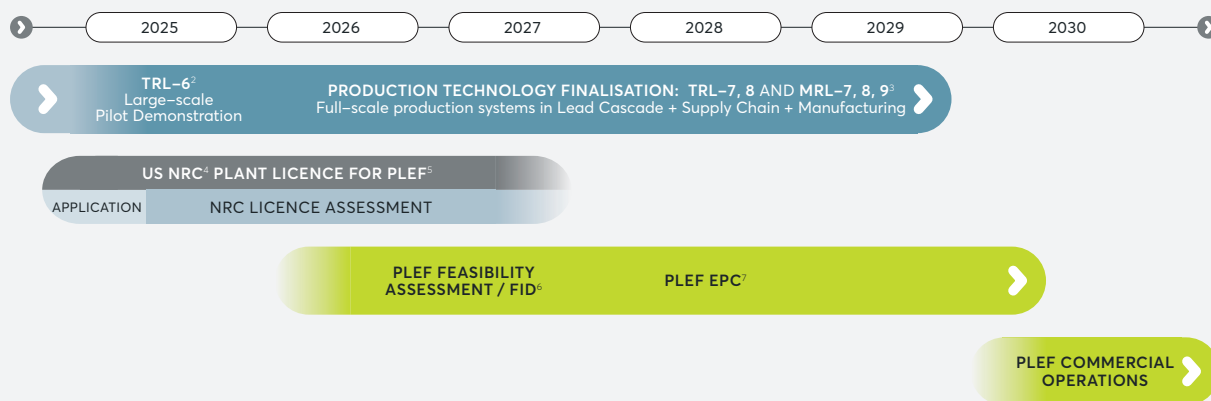
PLEF Feedstock: DOE Depleted Uranium Tails, Paducah, KY

## PLEF Commercial Plant Opportunities (conceptual)



Source: GLE, PLEF Commercial Plant (conceptual).

### GLE's Tentative Commercialisation Timeline<sup>1</sup>



1. Indicative target timeline subject to schedule risks, such as technology demonstration outcomes, market conditions, licensing, industry and government support, PLEF feasibility assessment, unforeseen delays and other factors, and may vary according to changing circumstances and differing scenarios
2. Technology Readiness Level 6 (TRL-6), as defined by *DOE Technology Readiness Assessment Guide* (G413.3-4A)
3. MRL: Manufacturing Readiness Level (DOD Guide at [dodmrl.com/MRL\\_Definitions\\_2010.pdf](https://dodmrl.com/MRL_Definitions_2010.pdf))
4. NRC: Nuclear Regulatory Commission
5. PLEF: Paducah Laser Enrichment Facility
6. FID: Final Investment Decision
7. EPC: Engineering, Procurement, and Construction of commercial plant



## GLE – the commercialisation vehicle for the SILEX laser-based uranium enrichment technology



### Paducah Laser Enrichment Facility (PLEF)

- ~700-acre site strategically located adjacent to the US DOE's former Paducah Gaseous Diffusion Plant (PGDP)
- Tails processing project 'equivalent to an above-ground uranium mine', with potential production of up to 5 million lbs p.a. for ~30 years (as UF<sub>6</sub>) and 2 million kgs p.a. conversion capacity

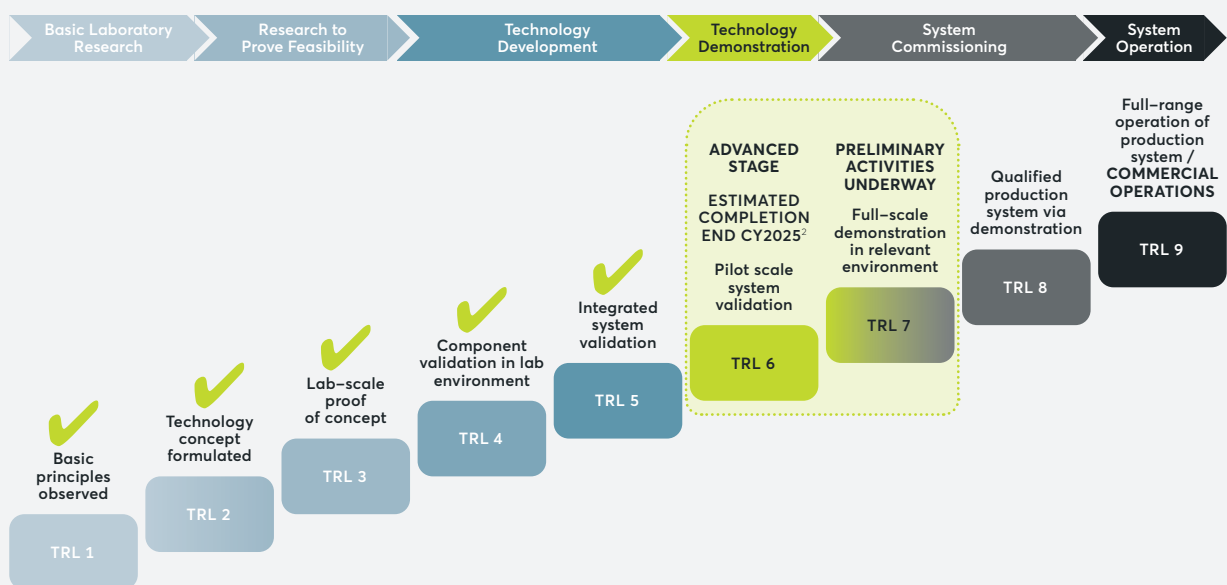
### GLE Headquarters/Manufacturing Facility and Test Loop Demonstration Facility

- Currently operating in Wilmington, NC
- Large-scale enrichment testing underway – key technology de-risking milestone (TRL-6)
- Wilmington classified manufacturing facility

GLE is the exclusive licensee of the SILEX uranium enrichment technology. GLE is a jointly-controlled venture between Silex (51%) and global uranium and nuclear fuel provider, Cameco Corporation (49%). GLE's exclusive worldwide licence to commercialise the SILEX technology for uranium enrichment is founded on the 2006 Technology Commercialisation and Licence Agreement, amended in 2021. The technology commercialisation project is being conducted jointly at GLE's Wilmington, NC facility and at Silex's Sydney facility.

GLE is the only company in the world to be operating large-scale, third-generation laser-based enrichment technology under plant-like conditions at TRL-6. GLE aims to complete the TRL-6 program by the end of CY2025, subject to assessment by an independent engineering contractor, which has been engaged by GLE on behalf of Silex and Cameco.

### Technology Readiness Level (TRL) Framework<sup>1</sup>



1. Technology Readiness Level (TRL), as defined by DOE Technology Readiness Assessment Guide (G413.3-4A)  
2. All scheduling estimates shown are tentative and subject to change and/or unforeseen delays

## About Silex

The TRL index is a globally accepted benchmarking tool for tracking progress in the development and maturation of a new technology through the early-stage blue sky research (TRL-1) to actual system operation over the full range of expected conditions and initial commercial operations (TRL-9). In general terms, TRL-6 represents the pivotal demonstration of large-scale systems in a pilot plant facility. The reference document used by GLE is the US DOE Technology Readiness Assessment Guide (G 413.3-4A). Also used is the Manufacturing Readiness Level (MRL) scale, which addresses the maturity of manufacturing capability and supply chains for the establishment of commercial production capacity.

During the year, GLE made considerable progress in key commercialisation activities in parallel with the TRL-6 pilot demonstration program:

- Advancing technology maturation (TRL-7) and manufacturing activities (MRL-7), including the establishment and operation of significant in-house manufacturing capability at GLE's headquarters in Wilmington, NC, to support the commercialisation program;
- Demonstration and maturation of advanced commercial-scale laser technology, including testing with a third full-scale laser system module (designed and built at Silex's Lucas Heights facility) at GLE's headquarters. This advanced laser system will be used for TRL-7 and MRL-7 activities, which focus on full-scale operational reliability and manufacturability;
- Development of supply chains, with outreach to vendors, identification of long-lead procurement items, planning for onshoring/reshoring of component and system manufacture, and build-out of GLE's in-house classified manufacturing capability at its Wilmington headquarters;
- Paducah, KY, site acquisition, with GLE acquiring a ~700-acre parcel of land for the planned PLEF – situated adjacent the DOE's former first-generation PGDP, at which the legacy depleted uranium inventories (PLEF feedstock) are located, minimising transportation between the PGDP and the acquired site for GLE's PLEF. GLE has exclusive access to over 200,000 metric tonnes of these inventories, which will be used to produce natural grade UF<sub>6</sub> with the SILEX technology at an equivalent annual output rate of up to 5 million pounds of uranium for three decades;
- GLE submitted its Safety Analysis Report to the US NRC in July 2025, which was accepted by the NRC in August, marking a significant milestone for the planned PLEF. With the NRC review of the licence application underway, GLE is the first in line with the NRC to seek a licence for a new uranium enrichment facility in the US. The NRC's acceptance of GLE's licence application triggers commencement of NRC's formal review, which is hoped to be completed expeditiously;

- Extensive engagement with the Wilmington and Paducah communities, including economic and business development, planning for expansion of local education and training programs to support future GLE workforce development, and building relationships with the Wilmington Chamber of Commerce and the Paducah Area Chamber of Commerce, among other local community groups.

Subject to various factors, including the successful completion of TRL-6 pilot demonstration program, industry and government support, a feasibility study for the PLEF, and supportive market conditions, GLE will continue to advance these commercialisation activities in order to support the potential commencement of commercial operations at the PLEF no later than 2030<sup>1</sup>.

## Strategic Engagement with Government and Industry Organisations

### Government and Industry Support

GLE actively engages with government and industry to attract strategic support and develop opportunities to help expedite and de-risk the commercialisation program for the SILEX uranium enrichment technology.

### US Government Initiatives

The US Congress, with the support of successive administrations, has enacted pivotal bipartisan legislation to incentivise the new nuclear fuel production capacity in the US, as well as to reassert America's global nuclear industry leadership. The strong bipartisan support is continuing under the new Trump Administration.

In December 2024, GLE was selected by the DOE as one of six awardees under the DOE's LEU RFP program (authorised by the 2023 *Nuclear Fuel Security Act*), which aims to build domestic enrichment capacity, promote market and technology diversity, and provide a reliable supply of commercial nuclear fuel to support US energy security free from Russian influence.

On 1 August 2025, the DOE issued the solicitation for Task Order 2 (TO2) under the LEU RFP program, inviting GLE to bid for up to US\$900m in competitive funding, noting that the DOE selected six awardees under the program. While the outcome of the bid is currently unknown, any funding awarded to GLE under TO2 has the potential to help offset the significant funding contributions that GLE's owners, Silex and Cameco, would need to provide.

Further to the legislative actions and funding initiatives, in May 2025, President Trump signed a series of Executive Orders titled, *Reinvigorating the Nuclear Industrial Base, Reforming Nuclear Reactor Testing at the Department of Energy, Ordering the Reform of the Nuclear Regulatory Commission, and Deploying Advanced Nuclear Reactor Technologies for National Security*, with the goal of re-establishing the US as the global leader in nuclear energy and advanced

1. All scheduling is tentative and remains dependent on progress and delays, and is subject to change at any time. GLE aims to complete the TRL-6 program by the end of CY2025, subject to assessment by an independent engineering contractor.

## About Silex

nuclear technology by quadrupling US nuclear energy capacity from 100 GW to 400 GW by 2050. Reinvigorating the Nuclear Industrial Base requires the development of a plan to expand US enrichment capacity – from which GLE may benefit.

Additionally, in July 2025, the DOE announced next steps in a new initiative to accelerate the development of AI infrastructure and advanced nuclear power generation technology through the establishment of large-scale AI and Data Centre sites on existing DOE reservations, including the PGDP, in support of President Trump's Executive Orders on *Accelerating Federal Permitting of Data Centre Infrastructure*, *Deploying Advanced Nuclear Reactor Technologies for National Security*, and *Unleashing American Energy*.

### US Nuclear Utility Support

GLE continues to engage extensively and proactively with the US nuclear industry to explore opportunities to partner with stakeholders to obtain support for its commercialisation strategy and the planned PLEF. During the World Nuclear Fuel Market Conference in June 2025, which was held in Sydney for the first time, Silex hosted a visit of the GLE leadership team and representatives of three of its four utility partners (who have signed Letters of Intent with GLE) – Constellation Energy, Duke Energy, and Dominion Energy. The tour provided insights into Silex's advancements in next-generation laser technology for uranium enrichment and in-house manufacturing capabilities.

### Nuclear Power Outlook

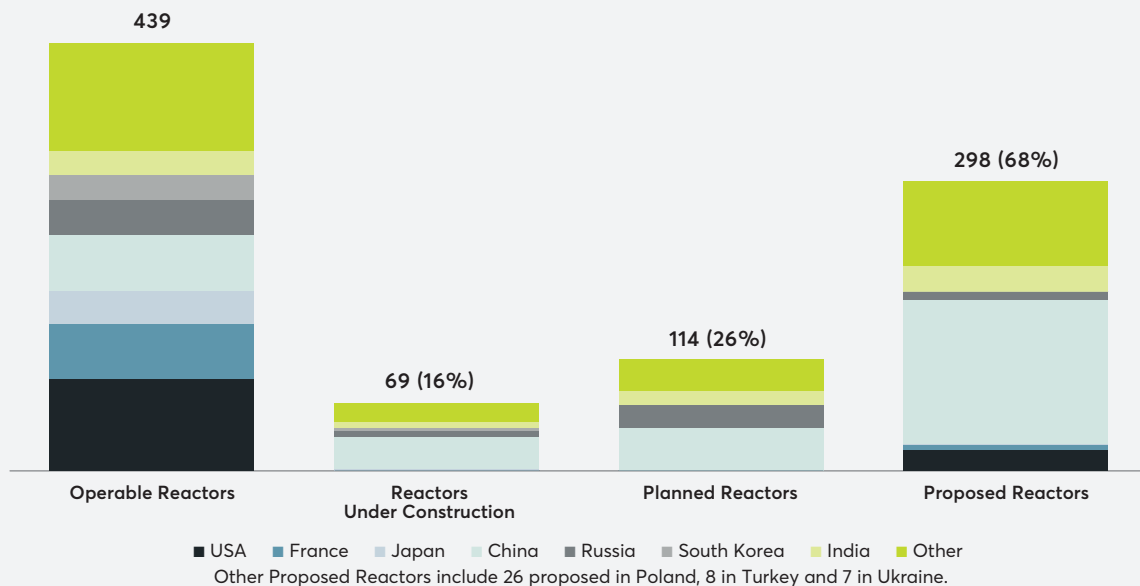
Nuclear power is playing an increasingly important role in the supply of carbon-free, baseload electricity, and is anticipated to play a much greater role in the global energy mix as countries around the world adopt policies to meet more urgent Net-Zero emissions targets.

There is strong global growth in demand for nuclear power, as evidenced in the granting of life extensions for existing reactors, the planned return to service of idled reactors, including restarts announced in response to growing electricity demand from AI and data centres ('hyperscalers'), as well as construction of, and planning for, hundreds of new nuclear power units around the world. Furthering their support for nuclear energy, Amazon, Google, Meta, Dow, and other major energy users signed a pledge in March 2025 supporting the goal of at least tripling global nuclear capacity by 2050.

There is also significant international investment in the development of next-generation advanced reactor technologies, including SMRs. With substantial growth forecast in the demand for electricity, SMRs offer greater flexibility and grid stability, particularly with today's electricity grids relying more heavily on intermittent renewable energy sources spread far and wide across national and international networks.

In the new age of electrification of the global economy in a carbon-constrained world, we are greatly encouraged by the outlook for clean nuclear energy and the multiple opportunities for the SILEX uranium enrichment technology and GLE.

### World Nuclear Reactor Population



Source: WNA Nuclear Power Reactors & Uranium Requirements July 2025



## About Silex

### Fuel Market Update

Over the last three decades, global nuclear fuel markets have become increasingly dependent on Russian supplied nuclear fuel. However, the shift by Western markets away from Russian-sourced material in the wake of its February 2022 invasion of Ukraine and other significant market developments has created urgency in establishing alternative supply sources for the medium to long term, leading to sustained increases in prices across the key components of the nuclear fuel cycle:

- the term price for uranium stabilising at ~US\$80 per pound, which is nearing its highest level in over 20 years;
- the term enrichment price rising to ~US\$170/SWU – also approaching historic highs; and
- term conversion prices also increasing to near record highs, including an increase by ~20% in the past year from ~US\$40/kgU to ~US\$50/kgU.

As outlined above, the markets for nuclear fuel continue to be buoyed by positive developments, creating opportunities for GLE to participate in supply constrained Western markets in the future.

### The SILEX Technology Commercialisation and Licence Agreement with GLE

The Technology Commercialisation and Licence Agreement between Silex and GLE is an exclusive worldwide licence for exploitation of the SILEX technology for uranium enrichment. The Licence Agreement is independent of Silex's 51% equity interest in GLE and related commercial benefits flowing from that equity interest. The Licence Agreement includes royalty revenues and milestone payments to Silex as follows:

#### Licence Agreement Royalty Revenues and Milestone Payments

**7%+**

**Perpetual  
Royalty**

**OF A MINIMUM OF 7%  
ON GLE'S ENRICHMENT SWU  
REVENUES FROM USE OF  
THE SILEX TECHNOLOGY**

**US\$20M**

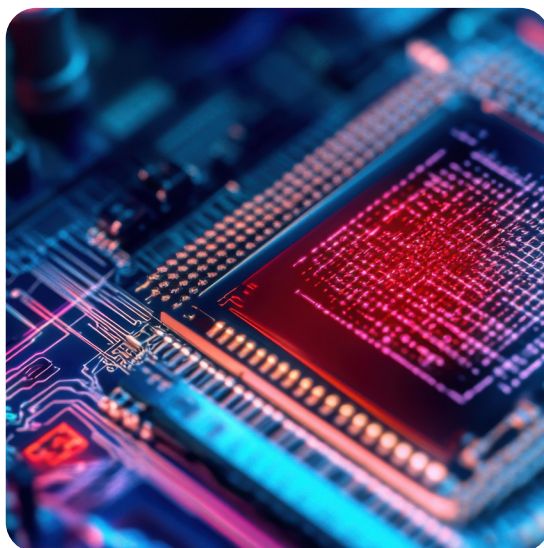
**in Milestone  
Payments**

**TRIGGERED BY  
COMMERCIAL DEVELOPMENT  
MILESTONES**

A US\$5m milestone payment is due to be received by Silex following achievement of TRL-6 pilot demonstration which is expected to be completed by the end of CY2025, subject to the completion of an independent assessment and submission of a report to GLE's owners, Silex and Cameco.

### The Cameco Option

Silex and Cameco have agreed terms on a call option for Cameco to purchase from Silex, at fair market value, an additional 26% interest in GLE, potentially increasing Cameco's interest to 75% (subject to US Government approvals). This option opened in February 2023 and can be exercised by Cameco up until the date 30 months after the technology is satisfactorily demonstrated in the pilot demonstration facility (at TRL-6).



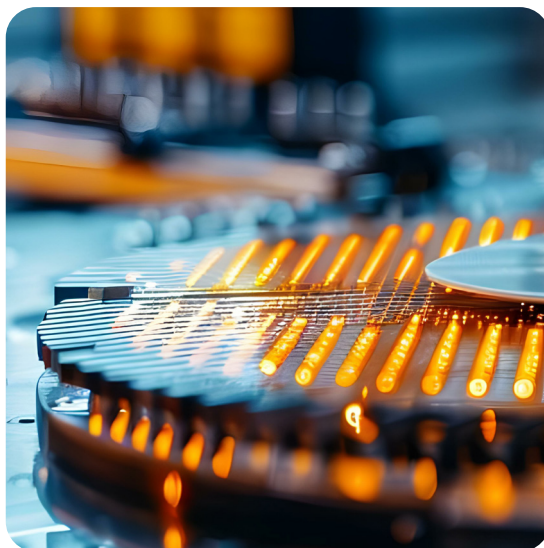
## Quantum Silicon (Q-Si) for Quantum Computing Processor Chips Overview and Future Prospects



Silex's Q-Si Production Project, which commenced in August 2023, is being undertaken in conjunction with initial offtake partner, Silicon Quantum Computing Pty Ltd (SQC), and UNSW Sydney (UNSW). The Project's objective is to establish the first production module for highly enriched silicon-28 and to develop the skills and capability to manufacture Q-Si products, in multiple product forms at commercial scale. The ~3.5-year Project is supported with \$5.1m in funding from the Federal Government's Defence Trailblazer for Concept to Sovereign Capability program and a cash contribution of \$4.35m from SQC.

It is anticipated that the Q-Si production module will produce up to 20kg annually of Q-Si, which will be converted into gaseous and solid product forms as required by potential customers in the emerging global silicon-based quantum computing industry. During the year, Silex continued to make substantial progress on the construction of the Q-Si production module, including in-house laser and plant component manufacture. In addition, Silex continued to engage with silicon-based quantum computing developers and other potential industrial users of Q-Si to develop a customer base for the Company's products. Silex will retain 100% ownership of the Q-Si production technology and related intellectual property developed through the Project.

In parallel with the design and construction of the initial commercial module of the Q-Si Production Plant, a full economic assessment of the Q-Si business case will be completed. The Q-Si Project remains dependent on the outcomes of the latest development Project and the viability of silicon quantum computing and therefore continues to carry inherent risks.



By way of background, Australia has been at the forefront of global efforts to develop and commercialise quantum computing and associated quantum technologies, which have the potential to underpin transformational technological advancements in many fields. These include, AI, robotics, advanced communications, and sensing, and complex global industries, such as defence and aerospace, finance, biomedical science, chemicals, and logistics. UNSW and its commercial spin out, SQC, are world leaders in developing silicon-based quantum computing technology, which, if successful, will allow Australia to establish sovereign capability in a key strategic technology that will advance the country's future defence, national security, and economic competitiveness in the emerging quantum technology era.

## Key Business Risks for Silex and the SILEX Technology

### The key business risks facing the Company include, but are not limited to:

#### Market conditions

Decreases in the market prices of the components of nuclear fuel or in the demand for uranium, conversion, enrichment, or other forms of uranium, including LEU, LEU+, HALEU, or enriched uranium products, could affect the ability of GLE and Silex to commercialise the SILEX uranium enrichment technology. The prices and demand for the various components of nuclear fuel remain sensitive to a number of factors that are beyond the control of the Company and the Company cannot provide assurances regarding factors that are beyond its control that may affect the commercialisation plans of Silex and/or GLE. For example, the Western nuclear industry has been moving away from reliance on importing low-cost Russian-produced nuclear fuel since the invasion of Ukraine, through both the imposition of trade sanctions and voluntary actions by Western utilities. Whether this situation changes, and whether trade with Russia for nuclear fuel increases or resumes in the future, is unknown.

#### Technology commercialisation program

The Company is currently undertaking the commercialisation of the SILEX laser-based uranium enrichment technology together with GLE. At the time of writing, a key large-scale demonstration of the SILEX uranium enrichment technology (TRL-6) is underway at GLE's Test Loop facility in Wilmington, NC. The outcomes of the program are currently unknown and the success of the program will be assessed by an independent engineering contractor engaged by GLE on behalf of its owners.

Additionally, the Q-Si Production Project and the early-stage Medical Isotope Separation Technology (MIST) Project both involve various execution risks and are subject to unknowns and uncertain outcomes, which may affect the commercial viability of these technologies.

Changes in scope or delays to Silex's various technology commercialisation programs may occur at any time due to multiple factors, including: the outcomes of technology development and demonstration programs; project resource prioritisation and allocation; interproject dependencies; actions taken by the Company's commercialisation partners and other stakeholders that could adversely affect the programs and commercialisation strategies; macro-economic and geopolitical factors that may affect commercial opportunities and/or the demand for the Company's products; increasing costs; competition from alternative technologies and suppliers/enrichment companies; and impacts from potential third-party claims against the Company's ownership of intellectual property.



## Key Business Risks for Silex and the SILEX Technology

### Competition

Silex and GLE face an increasingly competitive environment, and GLE's planned PLEF may have to compete for market share with established uranium producers and established and emerging uranium enrichment companies around the world. These competitors could have greater financial resources than GLE, including support from their governments and/or other stakeholders. In addition, decisions by GLE's competitors may be influenced by political, economic, and industrial policy considerations rather than commercial considerations. Over the last few years, a number of companies proposing to develop and deploy new or upgraded uranium enrichment technologies have gained traction in the nuclear fuel markets and have been aggressively pursuing their commercialisation strategies. These competitors, along with incumbent enrichment suppliers, pose a potential threat to Silex and GLE in terms of:

- economic performance of different technologies at commercial scale;
- vying for limited funding resources either through the financial markets or from government-funded initiatives; and
- trying to establish and/or expand market positions with a finite number of customers.

Accordingly, the Company cannot provide assurances regarding competitive factors that are beyond its control that may affect the commercialisation plans of Silex and GLE.

### Nuclear industry contractions

If the SILEX laser-based uranium enrichment technology ultimately is commercially deployed, income earned in the form of revenues and/or milestone payments and royalties could be affected by any growth or decline in the size of the global nuclear industry. Examples of factors that may constrain growth in the nuclear industry include concerns about:

- sustained public support for the nuclear industry's social licence to operate around the world in the face of historic opposition to nuclear power generation from many interest groups and political organisations, some of which primarily are dedicated to halting the use of nuclear power specifically and nuclear technology in general
- the safety of nuclear power generation and associated technologies, including the effects of any major nuclear accident
- nuclear proliferation and the spread of nuclear weapons
- the safe disposal of nuclear waste
- the cost of building new nuclear power reactors and delays in the deployment of new nuclear power capacity
- the commercialisation and timing of the commercial deployment of new power reactor designs, including advanced reactors and small modular reactors.

### Government and regulatory risks

The activities of the Company and GLE are subject to extensive laws and regulations. Various permits and licences are required for operations today and into the future. Adherence to legislation and regulations, and obtaining permits and licences, may cause restrictions, additional cost, and potential delays to GLE's commercialisation plans.

Effective January 2021, GLE became 100% non-US owned, with Silex holding a 51% ownership interest and Cameco Corporation holding a 49% interest in GLE. Silex and Cameco are subject to certain regulations and directives relating to the mitigation of Foreign Ownership, Control or Influence (FOCI) over GLE, as mandated by the US Government. These regulations and directives are administered on behalf of the US Government by the US NRC and the US DOE. While the regulations and directives are generally supportive of GLE's business activities and strategies, there may be situations in which the interests of the US Government with respect to FOCI mitigation(s) are not fully aligned with the business interests of GLE or its owners, Silex and Cameco. This may cause frustrations or delays with respect to the execution of GLE's business strategies, which ultimately could affect the economic value of GLE and its commercial projects.

### Geopolitical conditions and sovereign risk

Deteriorating geopolitical conditions have not only created significant shifts in the global risk landscape, creating attendant economic impacts, they also have the potential to affect the Company in its cross-border activities with GLE. Political instability, regulatory uncertainty, armed conflict, trade tensions, or other geopolitical events in key target markets or regions could adversely affect business confidence, disrupt supply chains, and increase operational risk. These conditions also may create currency volatility, while trade barriers and restrictions, including tariffs, have the potential to increase business costs – both for GLE and Silex.

In addition, current world events, including a heightened focus on national economic interests, are contributing to elevated levels of sovereign risk. This may have implications for the Company's cross border investments and commercialisation plans, the impacts of which are unknown.

## Key Business Risks for Silex and the SILEX Technology

### Contractual risks

Effective January 2021, Silex signed an agreement with Cameco – as its joint venture partner in GLE – relating to the governance and conduct of GLE's business, and to the formulation of commercial priorities and strategies that are developed for GLE. While Silex and Cameco are generally aligned in their business aspirations and priorities for GLE, there could be situations in which Silex and Cameco may not be fully aligned, which could lead to disagreements between Silex and Cameco. While there are provisions in the agreements between Silex and Cameco to resolve such disagreements, some matters may not be easily resolved and, accordingly, they could affect GLE's economic value and commercial prospects.

In 2016, an agreement was signed between GLE and the US DOE, which facilitates the future purchase of hundreds of thousands of metric tonnes of depleted uranium hexafluoride (DUF<sub>6</sub>) inventories (also known as depleted 'tails') owned by the US Government. This agreement relates primarily to the legacy depleted uranium inventories that are located at the DOE reservation in Paducah, KY. The agreement, which was amended in 2020 to align it with then market conditions and US Government priorities, underpins GLE's commercialisation program, including the planned PLEF Project.

### Intellectual property

As with any intellectual property, potential exists for a third party to dispute Silex's rights to the SILEX technology or any other technologies it develops or uses, or upon which it relies. Furthermore, application of the SILEX technology to uranium enrichment has been classified by the Australian and US governments, and, as a consequence, the Company is not permitted to apply for patent protection for uranium enrichment technology and any similar variant of the SILEX technology applied to fields beyond uranium, to the extent there is overlap in such intellectual property.

The SILEX technology is, therefore, protected proactively by government-mandated trade-secret protocols, as well as strict security controls. These include, but are not limited to, high security infrastructure, including security fencing and multi-layered access control, 24/7 CCTV surveillance and armed guard patrols, an extensive cybersecurity program, and vetting of all staff. While the Company believes its protection of intellectual property is at a very high standard, there are always risks associated with breaches of security and information leaks, which could adversely affect the value of the Company's intellectual property.

### Cyber security

Actual or attempted cyber-attacks and hacking, ransomware, malware, data breach, accident, or other unauthorised access to the Company's information systems and business data could result in the potentially irrecoverable loss of proprietary data, and could affect both the revenue-generating potential and reputation of Silex. As noted above, Silex deploys extensive controls to ensure that these risks are minimised or mitigated; however, the cyber-security domain is never free of risks by its very nature.

### Reliance on key staff and retention

The ability to retain specialist team members who are integral to the execution and delivery of the Company's technology commercialisation programs is imperative. Silex relies on the knowledge and expertise of several long-serving senior technology experts and corporate personnel. The loss of any of these specialists may affect progress in the Company's various projects and is a key focus of the Company's succession planning and staff development activities.

### Health and safety

Silex aims to conduct all its activities to the highest standards of workplace health and safety (WHS) and has systems in place for the management of WHS risks. Laser technology and nuclear industry operations carry inherent risks. The Company also utilises potentially harmful gases, materials, and equipment in its operations. Silex executes its WHS strategy and manages its WHS obligations with strong internal controls, including extensive technical controls, process safety, a focus on continuous improvement of its WHS management system, and on the auditing and monitoring of its operations by both internal and external experts.

### Climate change and environment

The Company has a responsibility to ensure that its operations have the lowest possible impact on the environment. Climate change presents an evolving set of risks and opportunities, including:

- the transition to low carbon-emissions power generating technologies
- risks arising from an increase in weather events and adverse weather patterns due to climate change.

Furthermore, the increased regulation of greenhouse gas emissions could adversely affect the Company's and GLE's future cost of operations as a result of increased energy costs and the cost of production at the PLEF. Regulatory change by governments in response to climate change may also result in increased compliance costs. Conversely, the move to a Net-Zero emissions economy strengthens the role of nuclear energy and GLE as a potential producer of zero-emissions nuclear fuels.



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## Directors' Report

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## Board of Directors



**Mr Craig Roy**  
MBA, MSc, FAICD.

**Chair – Independent Non-Executive Director**

**Experience and expertise:**

- Independent non-executive director and Chair since January 2019.
- Former Deputy CEO of the CSIRO.
- Extensive experience as a company director and is currently a Non-executive Director of Sydney Water and Australian Composites Manufacturing CRC Limited, and
- Chair of the Australian Research Data Commons.

**Other current listed company directorships:**

- None

**Former listed company directorships in last 3 years:**

- None

**Special responsibilities:**

- Chair of the Board
- Member of Audit and Risk Committee
- Chair of Remuneration and Nomination Committee
- Director of Global Laser Enrichment Holdings LLC (Chair until 31/12/2023)

**Interests in shares, options and rights:**

- Number of ordinary shares: 259,507
- Number of options: Nil
- Number of rights: Nil



**Dr Michael Goldsworthy**  
BSc (Hons), MSc, PhD, FAIP, GAICD.

**CEO/Managing Director**

**Experience and expertise:**

- CEO/MD since 1992.
- Founder of the Company and co-inventor of the SILEX laser isotope separation technology.
- Dr Goldsworthy has been the driving force behind the commercialisation program for the SILEX technology.

**Other current listed company directorships:**

- None

**Former listed company directorships in last 3 years:**

- None

**Special responsibilities:**

- Chief Executive Officer/Managing Director
- Director of Global Laser Enrichment Holdings LLC

**Interests in shares, options and rights:**

- Number of ordinary shares: 6,385,118
- Number of options: 450,000
- Number of rights: 487,500





**Ms Susan J Corlett**

BSc (Geo, Hons), FAUSIMM, GAICD.

**Independent Non-Executive Director**

**Experience and expertise:**

- Independent non-executive director since November 2024.
- A professional company director following an executive career in mining, investment banking and private equity.
- Serves as a non-executive director on various public company boards.

**Other current listed company directorships:**

- Iluka Resources Limited
- Aurelia Metals Limited

**Former listed company directorships in last 3 years:**

- Mineral Resources Limited

**Special responsibilities:**

- Chair of Audit and Risk Committee
- Member of Remuneration and Nomination Committee

**Interests in shares, options and rights:**

- Number of ordinary shares: 9,842
- Number of options: Nil
- Number of rights: Nil



**Mr Christopher Wilks**

BCom, FAICD.

**Non-Executive Director**

**Experience and expertise:**

- Non-executive director since 1988.
- Finance director and CFO of Sonic Healthcare Limited.
- Various directorships of public companies held over the years.

**Other current listed company directorships:**

- Executive director of Sonic Healthcare Limited since 1989 (Finance director since 1993)

**Former listed company directorships in last 3 years:**

- None

**Special responsibilities:**

- Member of Audit and Risk Committee
- Member of Remuneration and Nomination Committee

**Interests in shares, options and rights:**

- Number of ordinary shares: 2,833,716
- Number of options: Nil
- Number of rights: Nil

The following director is a former director of the Silex Board:



**Ms Helen Cook**

LLM, LLB (Hons), BA.

**Independent Non-Executive Director**  
(until 22 November 2024)

**Experience and expertise:**

- Independent non-executive director since October 2021.
- Commercial lawyer and international nuclear law specialist.
- Principal of GNE Advisory Pty Ltd, a law practice dedicated to the global civil nuclear energy sector.

**Other current listed company directorships:**

- None

**Former listed company directorships in last 3 years:**

- None

**Special responsibilities:**

- Member of Audit and Risk Committee (until 22 November 2024)
- Member of Remuneration and Nomination Committee (until 22 November 2024)

**Interests in shares, options and rights:**

- Number of ordinary shares: (as at 22 November 2024) 12,000
- Number of options: Nil
- Number of rights: Nil

# Directors' Report

Your directors present their report on the consolidated entity consisting of Silex Systems Limited (Silex or the Company) and the entities it controlled at the end of, or during the year ended 30 June 2025.

## 1. Directors

The following persons were directors of Silex Systems Limited during the whole of the financial year and up to the date of this report:

Mr C A Roy  
Dr M P Goldsworthy  
Mr C D Wilks

Ms H G Cook was a director from the beginning of the year until her retirement on 22 November 2024.

Ms S J Corlett was appointed a director on 22 November 2024 and continues in office as at the date of this report.

### Company Secretary

Ms J E Russell BBus, CA, MBA (Exec), GAICD was appointed to the position of Company Secretary in 2010. Before joining Silex, Ms Russell held a senior finance position in the Construction industry in the Middle East and prior to that worked as a Senior Associate with a Chartered Accounting Practice.

## 2. Principal activities

Silex is primarily focused on the commercialisation of its innovative SILEX laser enrichment technology across multiple global markets, with a priority focus on contributing to the reliable and sustainable supply of nuclear fuel for the global nuclear power industry, a vital part of the world's clean energy needs. The development and commercialisation program for the SILEX uranium enrichment technology is being undertaken jointly by Silex (at its Lucas Heights, Sydney facility) and by Global Laser Enrichment LLC (GLE) (in Wilmington, North Carolina (NC)). GLE is the exclusive licensee and commercialisation vehicle for the SILEX uranium enrichment technology and is a jointly-controlled venture between Silex and global uranium and nuclear fuel provider Cameco Corporation (Cameco), with 51% and 49% ownership interest respectively.

Silex is also progressing the commercial deployment of the SILEX technology for the production highly enriched silicon-28 (Q-Si) – a key enabling material required for silicon quantum computer chip fabrication, and to further leveraging and exploiting Silex's core capabilities, through the potential production of medical isotopes, initially focusing on enrichment of ytterbium-176 (Yb-176) – a key enabling material for breakthrough nuclear medicine cancer treatment.

## 3. Dividend

No dividend payments were made during the year. No dividend has been recommended or declared by the Board.

## 4. Operating and financial review

A review of and information about the operations of the Company during the financial year, and the Company's business strategy, future prospects and key business risks is contained on pages 8 to 19 of the Annual Report, which forms part of this Directors' report.

### Financial Result

A summary of consolidated revenue and the financial result is set out below:

	2025 \$	2024 \$
Revenue from continuing operations	12,204,289	12,910,491
Other income	6,409,422	4,329,429
(Loss) before tax	(42,557,236)	(22,734,108)
Income tax expense	–	–
Net (loss) from continuing operations	(42,557,236)	(22,734,108)
Net (loss) for the year	(42,557,236)	(22,734,108)
Net (loss) is attributable to:		
Owners of Silex Systems Limited	(42,557,236)	(22,734,108)

The net loss from ordinary activities was \$42.6m compared to \$22.7m in the prior year. The increase in net loss from ordinary activities is primarily attributable to the continued increase in GLE's operating budget to support GLE's commercialisation program for the SILEX uranium enrichment technology. Silex's 51% share of the GLE loss increased by \$18.5m in the current year to \$41.7m (reported as share of net loss of associates and joint ventures accounted for using the equity method).

Revenue from continuing operations decreased by \$0.7m to \$12.2m in the current year, primarily due to the decrease in Interest revenue of \$1.1m compared to the prior period.

Other income increased by \$2.1m to \$6.4m in the current year, primarily due to a \$1.4m increase in the Research and Development Tax Incentive, and a \$0.5m increase in Government grants. This was in line with an increase in activities in the Company's technology commercialisation projects.



## Directors' Report

Employee benefits expense and Research and development materials were also higher in the current year, with increases of \$1.5m and \$1.2m respectively to the prior period, as the Company's headcount and project activities increased.

Further details on the Company's financial result can be found in the annual Financial Report that follows.

### Financial Position

A summary of our consolidated balance sheet is set out below:

	30 June 2025 \$	30 June 2024 \$
<b>Assets</b>		
Total current assets	<b>89,670,850</b>	126,734,075
Total non-current assets	<b>9,288,638</b>	14,827,216
Total assets	<b>98,959,488</b>	141,561,291
<b>Liabilities</b>		
Total current liabilities	<b>7,273,308</b>	8,623,765
Total non-current liabilities	<b>738,313</b>	999,186
Total liabilities	<b>8,011,621</b>	9,622,951
Net assets	<b>90,947,867</b>	131,938,340
<b>Equity</b>		
Total equity	<b>90,947,867</b>	131,938,340

The Company's net assets as at 30 June 2025 of \$90.9m decreased by 31% compared with the previous year, which is consistent with, and largely attributable to the current year's net loss from ordinary activities. Significant assets include cash holdings of \$80.6m (cash, term deposits, and dual currency term deposits) and Investment accounted for using the equity method (investment in GLE) of \$8.0m. The Company holds no corporate debt.

### 5. Significant changes in state of affairs

During the year, GLE's owners agreed to a plan and budget for CY2025 that enabled the continuation of GLE's commercialisation plan for the SILEX uranium enrichment technology. The CY2025 plan and budget allows for an approximate 50% increase of GLE's operating expenditures, compared to actual expenditure for CY2024.

### 6. Matters subsequent to the end of the financial year

On 7 August 2025, Silex announced that it had completed a \$130m institutional placement (Placement) to support the commercialisation of the SILEX uranium enrichment technology in the US through exclusive licensee GLE, to pursue other isotope enrichment opportunities, to fund working capital, and for other general corporate purposes. Approximately 33.3 million new fully paid ordinary shares were issued at an offer price of \$3.90 on 14 August 2025.

In addition to the Placement, Silex announced a Share Purchase Plan (SPP), offering eligible shareholders the opportunity to acquire up to \$30,000 of new shares to raise up to \$15m (subject to Silex Board discretion to scale back applications and/or increase up to a maximum of \$20m). The SPP is currently scheduled to close on 29 August 2025.

The consolidated entity is not aware of any other matters or circumstances which are not otherwise dealt with in the financial statements that have significantly, or may significantly, affect the operations of the consolidated entity, the results of its operations or the state of the consolidated entity in subsequent years other than those referred to in this Directors' Report.

### 7. Information on directors

The qualifications, experience and special responsibilities of the Directors are provided on pages 22 to 23, and is current as at the date of this Annual Report:

### 8. Meetings

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the financial year, and the numbers of meetings attended by each director were:

Director's Name	Directors' Meetings		Audit and Risk Committee Meetings		Remuneration and Nomination Committee Meetings	
	Number Held*	Number Attended	Number Held*	Number Attended	Number Held*	Number Attended
Mr C A Roy	9	9	3	3	3	3
Dr M P Goldsworthy	9	9	●	●	●	●
Ms S J Corlett	6	6	2	2	2	2
Mr C D Wilks	9	9	3	3	2	2
Former Director: Ms H G Cook	3	2	1	1	1	1

\* Number of meetings held during the time the director held office or was a member of the committee during the year

● Not a member of the relevant committee at the time the scheduled meetings were held.

## Directors' Report

### 9. Remuneration report

#### Letter from the Chair of the Remuneration and Nomination Committee

On behalf of the Silex Board, I am pleased to present the Company's Remuneration Report for the year ended 30 June 2025. Our Remuneration Report provides information on the remuneration arrangements for our Key Management Personnel (KMP) which includes our executive KMP, being our CEO/MD and CFO/Company Secretary, and the non-executive directors of the Company.

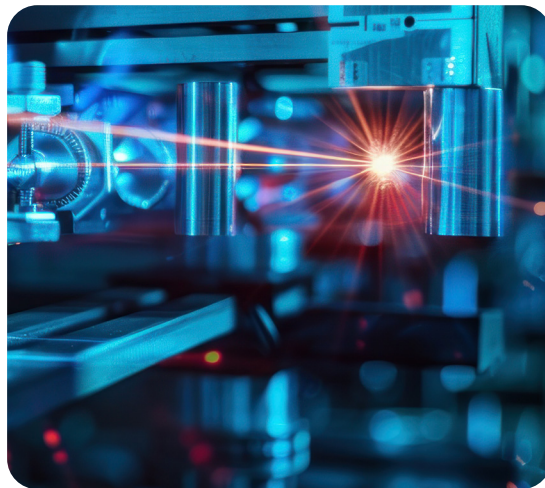
I'd like to firstly begin by recognising the commitment and resolve of our executive KMP, our CEO/MD, Michael Goldsworthy and CFO/Company Secretary, Julie Russell, who worked tirelessly during the year in support of the Company's core project – the commercialisation of the SILEX uranium enrichment technology together with our exclusive licensee, GLE. The progress towards commercialisation is evident. In parallel to commencement of the TRL-6 technology demonstration testing at GLE's Test Loop facility in Wilmington, NC, there have been significant activities related to the planned PLEF over the past year, including securing the Paducah, KY site, submission of the NRC licence application, and positioning GLE to be a potential beneficiary of significant funding under the US DOE's LEU Enrichment Acquisition Request for Proposals (RFP), and other potential US Government funding. This is all whilst advancing technology maturation and manufacturing activities at GLE's new headquarters facility. All of these activities contribute to positioning GLE for the potential commercial production of nuclear fuel no later than 2030.

However, our progress in FY2025 has not been reflected in the Silex share price, and whilst work progresses towards the completion of TRL-6 demonstration, which is expected to be completed by the end of the year, the backdrop to our commercialisation progress has been geopolitical instability, which has delivered uncertainty and turbulence to the global economy and equity markets. Our remuneration approach, of ensuring remuneration outcomes have strong alignment with our shareholders' interests, is clear in the difficult decisions the Silex Board made with respect to remuneration outcomes this year, with the Board exercising its discretion to reduce the awards payable to our CEO and CFO relative to actual strong personal performance achieved.

#### Independent Remuneration Framework Review implemented in FY2025

As foreshadowed in last year's report, the Company completed an independent remuneration benchmarking and design review of the remuneration framework for executive KMP and of non-executive directors in early FY2025. The review resulted in changes being implemented to the remuneration for our CEO and CFO, and our non-executive directors from 1 July 2024, and in the case of the CEO, returning his total fixed remuneration to the equivalent 2014 level. The changes were implemented whilst ensuring that at all times our remuneration practices reflect strong governance, and are aligned to market and incorporate best practice guidelines to ensure our decisions with respect to executive KMP remuneration are appropriate in relation to the Company's performance. The updated arrangements are detailed in this Remuneration Report, with the changes for the CEO's equity-based incentives to be implemented in FY2026, subject to shareholder approval at this year's AGM.

As a result of the independent remuneration review, the Company also implemented a Minimum Shareholding Requirements Policy for non-executive directors and executives, effective 1 July 2024.



## Directors' Report

### Remuneration outcomes for FY2025

As detailed in this Remuneration Report, the implementation of the independent remuneration review resulted in increases to the fixed remuneration of the CEO and CFO, and to the fees of our non-executive directors. The remuneration review also resulted in changes to the at-risk, equity-based incentives for our CFO. The offer of new multi-year, equity-based incentives for our CEO will be subject to shareholder approval later this year, for implementation from 1 July 2025. The underlying short-term and long-term key performance indicators (KPIs) and objectives remain deliberate in their intention to align interests with those of our shareholders, and to drive positive outcomes in the longer term.

The Committee and the Board recently assessed the performance of executive KMP against their respective KPIs and objectives for FY2025. Section c. of the Remuneration Report details the FY2025 Short-term Incentive (STI) payments and includes a final assessment of the KPIs, and whilst reflecting strong personal performance and achievement of deliverables for FY2025, the final STI payable was reduced following the exercise of the Board's discretion.

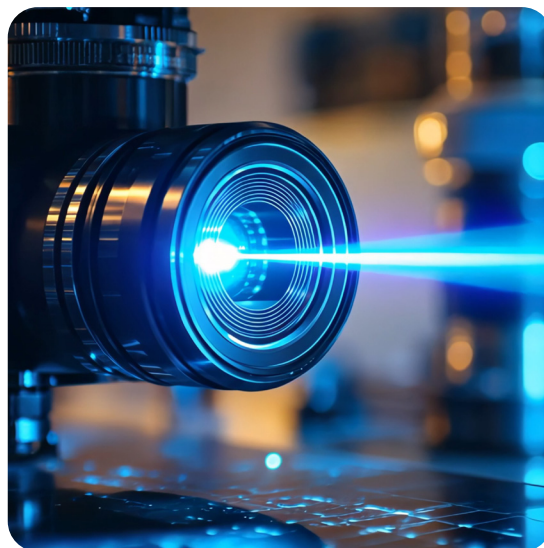
Given the general market conditions and share price volatility, our executive KMP and non-executive directors elected not to receive an increase for FY2026, therefore fixed remuneration and directors' fees will remain flat from 1 July 2025.

We remain committed to the alignment of executive KMP remuneration and shareholder interests and we will continue to adjust remuneration outcomes when deemed necessary. We believe that our executive remuneration programs have been appropriately set and create alignment between our executive KMP and the long-term success of the Company and our shareholders.

We invite you to review the full Remuneration Report and we look forward to answering any questions you may have at our AGM later this year.



**Craig Roy**  
Chair, Remuneration and  
Nomination Committee



## Directors' Report

### Remuneration Report

The directors present the Remuneration Report for the year ended 30 June 2025, outlining key aspects of our remuneration policy and framework, and remuneration awarded for the Company's non-executive directors, executive directors and other executive Key Management Personnel (KMP).

In this report:

- Directors and KMP disclosed in this report
- Remuneration governance and link to performance
- Elements of executive KMP remuneration
- Link between FY2025 remuneration and performance
- Contractual arrangements with executive KMP
- Non-executive directors' remuneration arrangements
- Statutory remuneration disclosures for KMP remuneration
- Performance-based remuneration granted and forfeited during the year
- Terms and conditions of the equity-based payment arrangements
- Reconciliation of options, rights and ordinary shares held by executive KMP
- Use of external remuneration consultants
- Voting at the Company's 2024 Annual General Meeting

#### a. Directors and KMP disclosed in this report

The 2025 Remuneration Report forms part of the Directors' Report and has been prepared and audited in accordance with the requirements of section 300A of the *Corporations Act 2001* (Cth). The Remuneration Report has been prepared in respect of the KMP of the Company. KMP are defined as those persons who have authority and responsibility for planning, directing and controlling the activities of the Company.

The KMP covered in this report are as follows:

Non-executive and executive directors	
Mr C A Roy	Chair and Non-Executive Director
Dr M P Goldsworthy	CEO/Managing Director Executive Director
Ms H G Cook	Non-Executive Director (until 22 November 2024)
Ms S J Corlett	Non-Executive Director (from 22 November 2024)
Mr C D Wilks	Non-Executive Director
Other executive KMP	
Ms J E Russell	CFO/Company Secretary

#### b. Remuneration governance and link to performance

##### Board oversight

The Silex Board is ultimately responsible for ensuring that the Company's remuneration structure is fit for purpose and reflects the Company's values, strategic objectives and risk appetite, and aligned with the long-term interests of shareholders. The Board and its advisors are independent of management when making decisions affecting employee remuneration.

##### Remuneration and Nomination Committee structure

The Remuneration and Nomination Committee is a committee of the Board comprised of a majority of independent non-executive directors. The Chair of the Committee is also an independent non-executive director. Its role is to make recommendations to the Board regarding the Company's remuneration policies and practices, including those applicable to the Company's KMP and to perform a range of nomination responsibilities including addressing the selection, appointment and review of Directors. The Committee obtains independent expert external advice on an as needed basis.

The role and responsibilities of the Remuneration and Nomination Committee are set out in the Committee's Charter, which is available on the Company's website at: [www.silex.com.au/corporate-values/corporate-governance/](http://www.silex.com.au/corporate-values/corporate-governance/)



Directors' Report

Linking remuneration to performance

In determining executive KMP remuneration, the Board's policy is based on the principle of aligning remuneration outcomes with the successful delivery of strategy, whilst ensuring our remuneration practices are designed to attract, motivate and retain highly qualified and specialised personnel. High regard for contemporary market practice, good governance and alignment to changing business circumstances is maintained at all times. The Company aims to reward executive KMP with a level and mix of remuneration commensurate with their position and responsibilities within the Company that is competitive within the market.

Remuneration for executive KMP is reviewed annually and considers market data, insights into remuneration trends, the performance of the Company and the individual, and the broader economic and operating environment.

The Company completed an independent remuneration benchmarking and design review of the remuneration framework for the Company's KMP and of non-executive directors in early FY2025. The FY2025 remuneration review considered the recommendations made following the completion of the independent remuneration benchmarking and design review. Various outcomes of the review were implemented with effect from 1 July 2024, noting that the full implementation of the outcomes of the independent remuneration review will take several years to take effect. This includes the expiry of the performance periods for the multi-year equity-based executive KMP incentive programs that remain on issue.

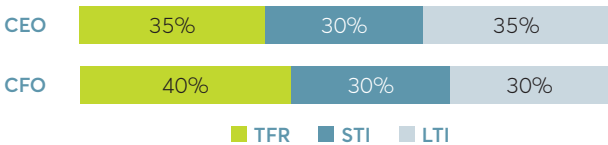
In accordance with the independent remuneration review outcomes, the executive KMP remuneration framework comprises of two components:

- Total fixed remuneration; and
- At-risk incentives.

The at-risk incentives include an annual STI and LTI, which is assessed over a three-year period. For equity-based incentives, sustainability of results is ensured by the imposition of a two-year trading restriction on any underlying equity issued.

The FY2025 independent remuneration review recommended a target remuneration mix for executive KMP as follows. It is noted that it will take several years to take effect. The actual remuneration mix for executive KMP for FY2025 can be found in section g. of this Remuneration Report:

Target Remuneration Mix for executive KMP



Assessing performance and claw back of remuneration

The Remuneration and Nomination Committee is responsible for assessing performance against KPIs and determining the incentive awards to be paid to all senior executives and management. To assist in this assessment, the Committee receives detailed reports on performance from management which are based on independently verifiable data such as financial measures, market information and data from independently run surveys. At all times, the Board has the discretion to make a final determination and as previously noted, Board discretion was exercised when assessing remuneration outcomes for FY2025.

In the unlikely event of serious misconduct or a material misstatement in the Company's financial statements the Board can cancel or defer performance-based remuneration and may also claw back performance-based remuneration paid in previous financial years.

## Directors' Report

### c. Elements of executive KMP remuneration

The following table reflects the implementation of the independent remuneration review with effect from 1 July 2024, noting that the multi-year equity-based incentives for the CEO continued without amendment for FY2025, in line with shareholder approval granted at the 2021 AGM.

Element	Purpose	Performance Metrics	Delivery	Changes for FY2025	Potential Value
Total Fixed Remuneration (TFR)	Provide competitive market salary, including super-annuation and non-monetary benefits	Reviewed annually, taking into account performance, and benchmarked against market data for comparable roles in companies in a similar industry and with a similar market capitalisation	Cash (100%)	Reviewed in line with median market rate and with reference to role experience	Positioned at median market rate
			CEO: FY2025 – \$800,000	CEO: 28.2% increase	
			CFO: FY2025 – \$425,000	CFO: 16.8% increase	
At-risk Incentives					
STI*	Reward for in-year performance, aligned with long-term value creation  Retention via 2-year escrow period applied to any equity incentive award	Performance assessed against financial metrics such as cash flow management and to non-financial measures, such as commercial deliverables, and other specific operational and strategic deliverables for the Company	CEO: FY2025 – 75,000 Performance Rights**  (Nb. FY2022 to FY2025 – award of 75,000 Performance Rights per annum. Underlying performance criteria to be set by the Board at the commencement of each financial year)	No change	\$269,093
			Maximum gross cash STI performance payment of \$100,000	Increased from \$75,000 to \$100,000	\$0 awarded for FY2025
			CFO: FY2025 – 70,000 Performance Rights  (Nb. Underlying performance criteria to be set by the Board at the commencement of each financial year)	No change	\$242,396
			Maximum gross cash STI performance payment of \$80,000	Increased from \$60,000 to \$80,000	\$0 awarded for FY2025
LTI*	Alignment to long-term shareholder value  Retention via 2-year escrow period applied to any equity incentive award	Performance linked to contribution to the creation of shareholder value. LTIs are assessed over a 3-year period and are designed to promote long-term stability in share price appreciation	CEO: FY2025 – 150,000 Options  (Nb. 750,000 options** granted 14 October 2021***, representing 150,000 options per annum for FY2021 through to and including FY2025)	No change	\$577,470  Expensed over FY2021 to FY2027
			CFO: FY2025 – 50,000 Performance Rights	Underlying equity instrument changed to Performance Rights  (FY2024 – 100,000 Options issued)	\$185,830  Expensed over FY2025 to FY2027

## Directors' Report

Element	Purpose	Performance Metrics	Delivery	Changes for FY2025	Potential Value
<b>Extended LTI*</b>	Alignment to long-term shareholder value Retention via 2-year escrow period applied to any equity incentive award	Performance linked to scale-up of the unique SILEX uranium enrichment technology (i.e., TRL-6 pilot demonstration) by no later than 31 December 2025	CEO: 412,500 Performance Rights** (to cover 5.5 performance years commencing 1 July 2020 and ending 31 December 2025)	No change No further Extended LTIs to be issued following expiry of current incentive	\$466,950 Expensed over FY2021 to FY2026
		Performance linked to long-term shareholder value	CFO: 300,000 Performance Rights (to cover 5 performance years commencing 1 July 2021 and ending 30 June 2026)	No change No further Extended LTIs to be issued following expiry of current incentive	\$239,550 Expensed over FY2022 to FY2026

\* At risk remuneration. At all times the Board has the discretion to make a final determination based on Company performance or other factors. Incentive awards may be clawed back or cancelled if the relevant executive acts fraudulently or dishonestly or breaches their obligations to the Company

\*\* Approved by shareholders at the 2021 AGM

\*\*\* Option exercise price of \$0.94, based on the 10-trading day VWAP preceding 25 June 2021

The CEO's Extended LTI has performance criteria specifically tailored to outcomes relating to the scale-up of the unique SILEX uranium enrichment technology and will be assessed over a performance period ending no later than 31 December 2025. The Extended LTI for the CFO has performance criteria tailored to growth in long-term shareholder value and will be assessed over a performance period ending 30 June 2026. Following the conclusion of the Extended LTIs, no further Extended LTIs will be offered.

### i. Short-term Incentives

CEO/MD	
<b>Composition</b>	An equity-based STI may be granted annually at the discretion of the Board. As per shareholder approval at the 2021 AGM, the current STI for the CEO comprises an annual grant of 75,000 Performance Rights through to FY2025. The CEO is also eligible to an annual gross cash performance payment. For FY2025 the maximum annual gross cash performance payment was \$100,000.
<b>Opportunity</b>	75,000 Performance Rights
<b>Performance Metrics / Assessment</b>	<p>The STI KPIs align with Silex's primary strategic priority of commercialisation of the SILEX technology and focussed on delivering priorities associated with increasing shareholder value, including:</p> <ul style="list-style-type: none"> <li>Commercial deliverables related to GLE: 50%</li> <li>Other commercial and strategic deliverables: 20%</li> <li>Corporate objectives and individual performance: 30%</li> </ul> <p>Assessment: 85%</p> <p>Award: The Board determined to award 60%, and therefore 45,000 of the maximum total of 75,000 Performance Rights will vest subject to completion of an underlying service-condition ending 31 July 2025. 45,000 shares are pending for issue to the CEO. The shares to be issued are subject to a 2-year trading restriction from the date of issue.</p>
<b>Cash STI</b>	The CEO was eligible for a gross cash performance payment of \$100,000 for FY2025, however notwithstanding the strong STI performance, following the exercise of the Board's discretion the Cash STI was reduced to \$nil.
<b>Board discretion</b>	The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any STI award.

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## Directors' Report

### i. Short-term Incentives (continued)

CFO/Company Secretary	
<b>Composition</b>	An equity-based STI may be granted annually at the discretion of the Board. The FY2025 STI comprises an annual grant of 70,000 Performance Rights. The CFO is also eligible to an annual gross cash performance payment. For FY2025 the maximum annual gross cash performance payment was \$80,000.
<b>Opportunity</b>	70,000 Performance Rights
<b>Performance Metrics / Assessment</b>	<p>The STI KPIs align with Silex's primary strategic priority of commercialisation of the SILEX technology and focussed on delivering priorities associated with increasing shareholder value, including:</p> <ul style="list-style-type: none"> <li>Commercial deliverables related to GLE: 40%</li> <li>Other commercial and strategic deliverables: 20%</li> <li>Company organisation design and resourcing: 10%</li> <li>Corporate and individual performance: 30%</li> </ul> <p>Assessment: 85%</p> <p>Award: The Board determined to award 60%, and therefore 42,000 of the maximum total of 70,000 Performance Rights will vest subject to completion of an underlying service-condition ending 31 July 2025. 42,000 shares are pending for issue to the CFO. The shares to be issued are subject to a 2-year trading restriction from the date of issue.</p>
<b>Cash STI</b>	The CFO was eligible for a cash performance payment of \$80,000 for FY2025, however notwithstanding the strong STI performance, following the exercise of the Board's discretion the Cash STI was reduced to \$nil.
<b>Board discretion</b>	The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any STI award.

### ii. Long-term Incentives

CEO/MD	
<b>Composition</b>	As per shareholder approval at the 2021 AGM, an equity-based LTI to cover five performance years (i.e., FY2021 through to and including FY2025) was granted. The multi-year incentive, equivalent to an annual grant of 150,000 options, was granted on 14 October 2021 for the five years ending 30 June 2025.
<b>Opportunity</b>	Issue of 750,000 options (i.e., 150,000 options attributable to each year from FY2021 to FY2025).
<b>Performance Metrics / Assessment</b>	The equity-based LTI have vesting periods that end from 25 June 2024 to 30 June 2027. In the event the options are eligible to be exercised, any resulting allotment of Silex Systems Limited shares will be subject to a further escrow period of 2 years.
<b>Exercise price</b>	In accordance with shareholder approval, the options' exercise price is \$0.94. This exercise price was determined based on the volume weighted average price at which the Company's shares were traded on the Australian Stock Exchange for the 10-trading days preceding 25 June 2021.
<b>Forfeiture and termination</b>	Options will lapse if vesting conditions are not met. Options will be forfeited on cessation of employment unless the Board determines otherwise.
<b>Board discretion</b>	The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any LTI award.



## Directors' Report

### ii. Long-term Incentives (continued)

CFO/Company Secretary	
<b>Composition</b>	An equity-based LTI has been issued for FY2025, subject to performance-based and service-based vesting conditions. The LTI has a 3-year performance period.
<b>Opportunity</b>	50,000 Performance Rights
<b>Performance Metrics / Assessment</b>	<p>Subject to performance-based and service-based vesting conditions. The LTI performance-based criteria is linked to increased shareholder value, as measured by delivering sustainable increases in the Company's share price and execution of the Company's commercialisation objectives.</p> <p>In the event the vesting criteria are achieved, any resulting allotment of Silex Systems Limited shares will be subject to a further escrow period of 2 years.</p>
<b>Forfeiture and termination</b>	Performance Rights will lapse if vesting conditions are not met. Rights will be forfeited on cessation of employment unless the Board determines otherwise.
<b>Board discretion</b>	The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any LTI award.

### iii. Extended Long-term Incentives

CEO/MD	
<b>Composition</b>	As per shareholder approval at the 2021 AGM, the equity-based Extended LTI is a multi-year incentive equivalent to 412,500 Performance Rights for a 5.5-year performance period ending 31 December 2025.
<b>Opportunity</b>	Issue of 412,500 Performance Rights
<b>Performance Metrics / Assessment</b>	<p>The performance period of the Extended LTI commenced on 1 July 2020 and ends 31 December 2025. The performance criteria are linked to specifically tailored outcomes relating to the scale-up of the unique SILEX uranium enrichment technology (i.e., TRL-6 demonstration) and will be assessed over a performance period ending no later than 31 December 2025. Achievement will be subject to independent Board verification and the Extended LTI may be subject to early-vesting. In the event the performance and vesting criteria are achieved, any resulting allotment of Silex Systems Limited shares will be subject to a further escrow period of 2 years.</p> <p>Assessment: n/a</p>
<b>Forfeiture and termination</b>	Performance Rights will lapse if performance conditions are not met. Rights will be forfeited on cessation of employment unless the Board determines otherwise.
<b>Board discretion</b>	The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any Extended LTI award.

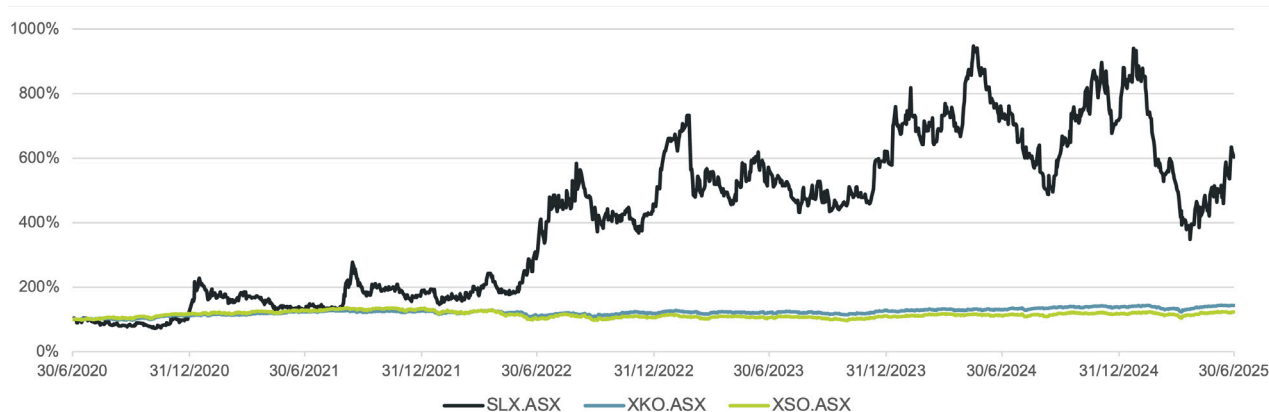
CFO/Company Secretary	
<b>Composition</b>	An equity-based Extended LTI is a multi-year incentive equivalent to 300,000 Performance Rights for a 5-year performance period ending 30 June 2026.
<b>Opportunity</b>	Issue of 300,000 Performance Rights
<b>Performance Metrics / Assessment</b>	<p>The performance period of the Extended LTI commenced on 1 July 2021 and ends 30 June 2026. The Extended LTI is subject to service-based and performance-based criteria linked to increased shareholder value. The Extended LTI is subject to four assessment points throughout the performance period, being at 30 June 2023, 2024, 2025 and 2026. In the event the vesting criteria are achieved at each assessment date, any resulting allotment of Silex Systems Limited shares will be subject to a further escrow period of 2 years.</p> <p>Assessment: With respect to performance-based and service-based criteria for the 3-year period ending 30 June 2025, it was assessed that 75,000 Performance Rights have vested. 75,000 shares are pending for issue to the CFO. The shares to be issued are subject to a 2-year trading restriction from the date of issue.</p>
<b>Forfeiture and termination</b>	Performance Rights will lapse if performance conditions are not met. Rights will be forfeited on cessation of employment unless the Board determines otherwise.
<b>Board discretion</b>	The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any Extended LTI award.

## Directors' Report

### d. Link between FY2025 remuneration and performance

#### FY2025 performance and impact on remuneration

The graph below provides the overview of the Company's 5-year share price performance relative to S&P/ASX 300 (XKO.ASX) and S&P/ASX Small Ordinaries (XSO.ASX). Silex's 5-year trading performance (i.e., from 1 July 2020 to 30 June 2025) achieved a Total Shareholder Return of ~500% over the period.



It is our view that our progress in FY2025 has not been reflected in the Silex share price, and therefore, our remuneration approach of ensuring remuneration outcomes have strong alignment with our shareholders' interests, has been reflected in the Board's decisions with respect to remuneration outcomes this year for our executive KMP, as detailed in section c.

For further information on the Company's performance during the year, refer to the Operating and Financial Review in section 4 of this Directors' Report.

#### Statutory performance indicators

We aim to align executive KMP remuneration to our strategic and business objectives and the creation of shareholder wealth. The below table shows measures of the Company's financial performance over the last five years as required by the *Corporations Act 2001*. However, as a pre-revenue company, the below measures are generally not the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there is only a partial correlation between the statutory key performance measures and the variable remuneration awarded.

Year ended 30 June	Earnings per share Cents	Total STI awards to KMP \$	Share price at 30 June \$
2021	(4.0)	62,935	0.90
2022	(4.8)	228,601	2.10
2023	(8.1)	466,751	3.94
2024	(9.6)	482,192	5.33
2025	(17.9)	336,834	4.22

## Directors' Report

### e. Contractual arrangements with executive KMP

Component	CEO/MD	CFO/Company Secretary
Total Fixed Remuneration	\$800,000	\$425,000
Contract duration	Ongoing Common Law Contract	Ongoing Common Law Contract
Notice by the individual or Company	6 months	6 months
Termination of employment (without cause)	Partial payment for pro-rata STI, if applicable, may be at Board discretion. Unvested LTI and Extended LTI may remain on foot subject to achievement of the performance criteria at the original date of testing.	Partial payment for pro-rata STI, if applicable, may be at Board discretion. Unvested LTI and Extended LTI may remain on foot subject to achievement of the performance criteria at the original date of testing.
Termination of employment (with cause) or by the individual	STI is not awarded and all unvested LTI and Extended LTI will lapse. Vested and unexercised LTI may be exercised following termination at Board discretion.	STI is not awarded, and all unvested LTI and Extended LTI will lapse. Vested and unexercised LTI may be exercised following termination at Board discretion.

### f. Non-executive directors' remuneration arrangements

The remuneration of non-executive directors is set to ensure that the Company can attract and retain the services of highly qualified and experienced non-executive directors. Following the completion of the Company's independent remuneration benchmarking and design review in early FY2025, non-executive directors' fees were increased, effective 1 July 2024. The structure of fees paid to our Chair was also amended, moving to the payment of an all-inclusive fee, providing payment for chairing services, non-executive director fees and Committee fees. The fees payable to other non-executive directors continued to be paid on the basis of a Directors' fee and fees for participating or chairing a Committee.

The fees payable to our Chair and other non-executive directors were also positioned with reference to median fees of a selected group of comparator companies and are exclusive of superannuation. Directors do not receive performance-based pay or retirement allowances. Additional fees may be payable to non-executive directors should they undertake specific consulting projects for the Company in the areas of their expertise. No additional fees were paid for additional services or consulting rendered during FY2025.

The maximum annual aggregate directors' fee pool limit is \$750,000 and was approved by shareholders at the 2011 AGM.

All non-executive directors enter into a written agreement with the Company in the form of a letter appointment.

It was resolved that directors' fees be changed with effect from 1 July 2024, as per the table below.

#### Annual Directors' fees

	From 1 July 2024
<b>Base fees</b>	
Chair (all-inclusive fee)	235,000
Other Non-executive directors	120,000
<b>Committee fees*</b>	
Audit and Risk Committee – Chair	10,000
Audit and Risk Committee – Member	8,000
Remuneration and Nomination Committee – Chair	10,000
Remuneration and Nomination Committee – Member	8,000

\* Payable in event position is held by a non-executive director who is not Chair of the Board



## Directors' Report

### g. Statutory remuneration disclosures for KMP remuneration

The table below has been prepared in accordance with the requirements of the *Corporations Act 2001* and relevant accounting standards in Australia. This table details the remuneration for the Company's KMP for the current and previous financial year.

		Fixed remuneration				Variable remuneration				
		Cash salary and fees <sup>1</sup> \$	Non-monetary benefits – shares <sup>2</sup> \$	Annual and long service leave <sup>3</sup> \$	Post-employment benefits \$	Performance Payments (cash) <sup>1</sup> \$	Performance Rights (deferred shares) <sup>4</sup> \$	Options \$	Total \$	Performance related %
Name	Year									
Executive directors										
Dr M P Goldsworthy	2025	770,068	–	80,649	29,932	–	226,961	76,157	1,183,767	26%
	2024	596,601	–	16,848	27,399	75,000	370,824	147,932	1,234,604	48%
Non-executive directors										
Mr C A Roy	2025	255,269	–	–	6,756	–	–	–	262,025	–
	2024	197,580	18,803	–	–	–	–	–	216,383	–
Ms S J Corlett (from 22 Nov 2024)	2025	83,770	–	–	9,634	–	–	–	93,404	–
	2024	–	–	–	–	–	–	–	–	–
Mr C D Wilks	2025	136,802	–	–	15,732	–	–	–	152,534	–
	2024	116,910	–	–	2,970	–	–	–	119,880	–
Former directors										
Ms H G Cook (until 22 Nov 2024)	2025	54,865	–	–	6,309	–	–	–	61,174	–
	2024	106,000	–	–	11,660	–	–	–	117,660	–
Other KMP and group executives										
Ms J E Russell	2025	395,068	–	19,274	29,932	–	263,744	22,915	730,933	39%
	2024	336,601	–	(20,406)	27,399	60,000	216,132	73,682	693,408	50%
Total executive directors and other KMP										
	2025	1,165,136	–	99,923	59,864	–	490,705	99,072	1,914,700	
	2024	933,202	–	(3,558)	54,798	135,000	586,956	221,614	1,928,012	
Total non-executive director remuneration										
	2025	530,706	–	–	38,431	–	–	–	569,137	
	2024	420,490	18,803	–	14,630	–	–	–	453,923	
Total KMP remuneration										
	2025	1,695,842	–	99,923	98,295	–	490,705	99,072	2,483,837	
	2024	1,353,692	18,803	(3,558)	69,428	135,000	586,956	221,614	2,381,935	

1. Short-term benefits as per Corporations Regulations 2M 3.03(1) Item 6

2. The Company commenced payment of directors' fees for to Mr C A Roy for Global Laser Enrichment Holdings LLC directorships from 1 January 2021 to 30 June 2024

3. Other long-term benefits as per Corporations Regulations 2M 3.03(1) Item 8. The amounts disclosed in this column represent the increase/(decrease) in the associated provisions

4. Equity-settled share-based payments as per Corporations Regulations 2M.3.03(1) Item 11. With regard to the group's executives, this includes STI (via Performance Rights), LTI (via Options) and Extended LTI (via Performance Rights)

## Directors' Report

### h. Performance-based remuneration granted and forfeited during the year

A summary of the performance-based remuneration granted and forfeited to executive KMP during FY2025 follows:

Name	STI (Rights)*			STI (cash)		
	Total opportunity \$	Awarded %	Forfeited %	Total opportunity \$	Awarded %	Forfeited %
Dr M P Goldsworthy	269,093	60.00%	40.00%	100,000	0%	100%
Ms J E Russell	242,396	60.00%	40.00%	80,000	0%	100%

\* STI (Rights) Awards subject to completion of service-based condition ending 31 July 2025.

Name	LTI (Options)		LTI (Rights)			Extended LTI (Rights)*		
	Value granted \$	Value exercised \$	Value granted \$	Awarded %	Forfeited %	Value granted \$	Awarded %	Forfeited %
Dr M P Goldsworthy	–	1,432,500	–	–	–	–	–	–
Ms J E Russell	–	172,000	185,830	–	–	–	25.00%	0%

\* For the CFO/Company Secretary, the Extended LTI comprises 300,000 Performance Rights to cover 5 performance years commencing 1 July 2021 and ending 30 June 2026. The Award for FY2025 of 75,000 rights is with respect to the 3-year performance and service period ending 30 June 2025. Shares are pending for issue. The Extended LTI was granted on 21 June 2022. The value at grant date is calculated in accordance with AASB 2 Share-based Payment.

### i. Terms and conditions of the equity-based payment arrangements

#### STI – Performance Rights

An annual STI in the form of Performance Rights is granted to executive KMP. The rights vest at the end of a 12-month performance period subject to the achievement of individually tailored KPIs. Each right that vests is converted into one ordinary share. The rights carry no dividend or voting rights.

The fair value of the rights is determined based on the market price of the Company's shares at the grant date or for those rights which are subject to a market condition, with reference to a Monte Carlo simulation taking into account the volatility of the Company's shares and other factors.

Grant date	Vesting date	Value per right at grant date \$	Performance achieved %	Vested %
21/08/2023 *	31/07/2024	\$1.193	100%	100%
21/08/2023	31/07/2024	\$2.673	95%	95%
26/08/2024 *	31/07/2025	\$1.211	0%	–
26/08/2024	31/07/2025	\$3.713	65%**	–

\* These rights have market conditions and have been valued using a Monte Carlo simulation approach

\*\* Award subject to completion of service-based condition ending 31 July 2025

## Directors' Report

### LTI – Options

The number of options over ordinary shares in the Company provided as remuneration to executive KMP is shown below. The options carry no dividend or voting rights. The options are subject to a service-based condition which must be satisfied for the options to vest.

When exercisable, each option is convertible into one ordinary share of Silex Systems Limited. The exercise price of options is based on the volume weighted average price at which the Company's shares are traded on the Australian Stock Exchange for the 10-trading days preceding a Board resolution to grant options. Details of options vested during the year are shown below. Following the completion of the independent remuneration review, no additional options are planned for issue at the current time.

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Grant date	Vesting date	Expiry date	Exercise price \$	Value per option at grant date \$	Performance achieved %	Vested %
26/07/2021	30/06/2025	30/06/2027	\$0.94	\$0.4714	100%	100%
26/07/2021	30/06/2026	30/06/2028	\$0.94	\$0.4904	To be determined	To be determined
14/10/2021	25/06/2024	28/10/2026	\$0.94	\$0.7249	100%	100%
14/10/2021	30/06/2024	28/10/2026	\$0.94	\$0.7249	100%	100%
14/10/2021	30/06/2025	28/10/2027	\$0.94	\$0.7727	100%	100%
14/10/2021	30/06/2026	28/10/2028	\$0.94	\$0.7965	To be determined	To be determined
14/10/2021	30/06/2027	28/10/2029	\$0.94	\$0.8308	To be determined	To be determined

### LTI – Performance Rights

Following the completion of the independent remuneration review, the issue of LTIs to executive KMP will be in the form of Performance Rights. In FY2025, a LTI was issued to the CFO. The rights vest at the end of multi-year performance periods, subject to the achievement of individually tailored objectives. Each right that vests is converted into one ordinary share of Silex Systems Limited. The rights carry no dividend or voting rights.

The fair value of the rights is determined based on the market price of the Company's shares at the grant date or for those rights which are subject to a market condition, with reference to a Monte Carlo simulation taking into account the volatility of the Company's shares and other factors.

Grant date	Vesting date	Value per right at grant date \$	Performance achieved %	Vested %
17/12/2024	01/07/2026	\$4.076	To be determined	To be determined
17/12/2024	30/06/2027	\$4.076	To be determined	To be determined
17/12/2024*	30/06/2027	\$2.878	To be determined	To be determined

\* These rights have market conditions and have been valued using a Monte Carlo simulation approach



## Directors' Report

### Extended LTI – Performance Rights

Extended LTIs in the form of Performance Rights have been granted to executive KMP. The rights vest at the end of multi-year performance periods, subject to the achievement of individually tailored objectives. Each right that vests is converted into one ordinary share of Silex Systems Limited. The rights carry no dividend or voting rights.

The fair value of the rights is determined based on the market price of the Company's shares at the grant date or for those rights which are subject to a market condition, with reference to a Monte Carlo simulation taking into account the volatility of the Company's shares and other factors.

Grant date	Vesting date	Value per right at grant date \$	Performance achieved %	Vested %
14/10/2021	31/12/2025	\$1.132	To be determined	To be determined
21/06/2022*	30/06/2025	\$0.809	100%	100%
21/06/2022*	30/06/2026	\$0.835	To be determined	To be determined

\* These rights have market conditions and have been valued using a Monte Carlo simulation approach

### j. Reconciliation of options, rights and ordinary shares held by executive KMP

#### Options held by KMP

The table below shows a reconciliation of options held by each executive KMP from the beginning to the end of FY2025.

Name and grant date	Balance at the start of the year (Number)	Granted as compensation (Number)	Vested		Exercised (Number)	Balance at end of year	
			(Number)	%		Vested and exercisable (Number)	Unvested (Number)
Dr M P Goldsworthy							
23/11/2020	150,000	–	150,000	100%	150,000	–	–
14/10/2021	750,000	–	450,000	60%	300,000	150,000	300,000
	900,000		600,000		450,000	150,000	300,000
Ms J E Russell							
24/03/2021	155,000	–	155,000	100%	–	155,000	–
26/07/2021	300,000	–	200,000	67%	40,000	160,000	100,000
	455,000	–	355,000		40,000	315,000	100,000

#### Rights held by KMP

The table below shows a reconciliation of rights held by each KMP from the beginning to the end of FY2025.

Name and grant date	Balance at the start of the year (Number)	Granted as compensation (Number)	Vested		Forfeited		Balance at end of year (unvested) (Number)
			(Number)	%	(Number)	%	
Dr M P Goldsworthy							
14/10/2021	412,500	–	–	–	–	–	412,500
21/08/2023	75,000	–	70,125	93.5%	4,875	6.5%	–
26/08/2024*	–	75,000	–	–	–	–	75,000
	487,500	75,000	70,125		4,875		487,500
Ms J E Russell							
21/06/2022**	150,000	–	75,000	50%	–	–	75,000
21/08/2023	70,000	–	68,600	98%	1,400	2%	–
26/08/2024*	–	70,000	–	–	–	–	70,000
	220,000	70,000	143,600		1,400		145,000

\* 60% of the Performance Rights will vest subject to completion of an underlying service-condition on 31 July 2025

\*\* 75,000 rights vested with respect to the 3-year performance and service period ending 30 June 2025. Shares are pending for issue

## Directors' Report

### Shares held by KMP

The below table shows the number of ordinary shares in the Company that were held during the financial year by KMP of the Company, including by entities related to them:

Name	Balance at the start of the year (Number)	Received during the year on the exercise of options (Number)	Received on vesting of rights to shares (Number)	Other changes during the year (Number)	Balance at the end of the year (Number)
<b>Directors of Silex Systems Limited</b>					
Mr C A Roy	259,507	–	–	–	259,507
Dr M P Goldsworthy	6,314,993	450,000	70,125	(450,000)	6,385,118
Ms S J Corlett	–	–	–	9,842	9,842
Mr C D Wilks	2,833,716	–	–	–	2,833,716
<b>Former director</b>					
Ms H G Cook	12,000	–	–	(12,000)	–
<b>Other executive KMP</b>					
Ms J E Russell	354,466	40,000	143,600	(118,500)	419,566

The Company implemented a Minimum Shareholding Requirements (MSR) Policy for non-executive directors and executives effective 1 July 2024. The Policy requires a MSR as follows:

- Non-executive directors: 100% of gross annual base fees
- Executive KMP (CEO & CFO): 100% of TFR
- Other Company executives: 100% of TFR

Compliance is required within five years of appointment and MSR compliance references the aggregate value of current shareholdings at the completion of each financial year. The table below shows the status of the MSR for each non-executive director and executive KMP as at 30 June 2025:

Name	Balance at the end of the year (Number)	Target MSR \$	MSR Achieved at 30 June 2025*	MSR on Track
<b>Non-executive directors of Silex Systems Limited</b>				
Mr C A Roy	259,507	\$235,000	Yes	N/A
Ms S J Corlett	9,842	\$120,000	No	Yes
Mr C D Wilks	2,833,716	\$120,000	Yes	N/A
<b>Other executive KMP</b>				
Dr M P Goldsworthy	6,385,118	\$800,000	Yes	N/A
Ms J E Russell	419,566	\$425,000	Yes	N/A

\* MSR achievement assessed on basis of Silex's share price of \$4.22 as at 30 June 2025.

### Securities Trading Policy

The Silex Securities Trading Policy applies to all staff including KMP. It prohibits staff from buying or selling Silex securities at times when they are in possession of inside information. In addition, staff are only permitted to trade in Silex securities during certain open periods. The Silex Securities Trading Policy is available on the Company's website at: [www.silex.com.au/corporate-values/corporate-governance/](http://www.silex.com.au/corporate-values/corporate-governance/)

### k. Use of external remuneration consultants

The Company engaged EY to complete an independent remuneration benchmarking and design review of the remuneration framework for executive KMP and of non-executive directors. This review was completed in early FY2025. No remuneration recommendations were provided.

### l. Voting at the Company's 2024 Annual General Meeting

Silex Systems Limited received more than 99% of "yes" votes on its Remuneration Report for the 2024 financial year.

## Directors' Report

### 10. Shares under option

Unissued ordinary shares of Silex Systems Limited under option at the date of this report are as follows:

Options granted* date	Expiry date	Issue price of shares \$	Under option (Number)
24/03/2021	23/03/2026	1.20	384,500
26/07/2021	Various	0.94	260,000
14/10/2021	Various	0.94	450,000
18/03/2022	17/03/2027	1.19	490,000
17/04/2023	16/04/2028	3.77	650,000
19/12/2023	18/12/2026	3.47	50,000
23/04/2024	22/04/2029	5.00	650,000
05/12/2024	04/12/2027	4.50	75,000

\* The options granted include issues to eligible employees in accordance with the Silex Systems Limited Employee Incentive Plan and includes options granted as remuneration to KMP.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. No options were granted since the end of the financial year.

### 11. Indemnification and insurance of directors

The Company has entered into Deeds to indemnify the directors and executive officers of the Company against all liabilities to persons (other than the Company or related body corporate) which arise out of the performance of their normal duties as directors or executive officers unless the liability relates to conduct involving lack of good faith. The Company has agreed to indemnify the directors and executive officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity.

The Directors' & Officers' Liability Insurance provides cover against all costs and expenses involved in defending legal actions and any resulting payments arising from a liability to persons (other than the Company) incurred in their position as a director or executive officer unless the conduct involves a wilful breach of duty or an improper use of inside information or position to gain advantage. The insurance policy does not allow specific disclosure of the nature of the liabilities insured against or the premium paid under the policy.

### 12. Indemnity of auditors

To the extent permitted by law, Silex has agreed to indemnify its auditors, PricewaterhouseCoopers (PwC), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to PwC by the Company pursuant to this indemnify, either during or since the end of the financial year.

### 13. Environmental regulation

Silex seeks to be compliant with all environmental laws and regulations relevant to its operations. The Company monitors compliance on a regular basis. The Audit and Risk Committee has oversight of environmental risks and compliance.

The Company is subject to the environmental and health and safety regulations applicable to tenants of the Lucas Heights Science and Technology Centre. The Company is also bound by the rules and regulations set out in the *Australian Radiation Protection and Nuclear Safety Act, 1998*, and is a licensee under the Act.

To the best of the Directors' knowledge, all environmental and health and safety regulatory requirements have been met and there have been no claims made, prosecutions commenced or fines incurred during the financial year.



## Directors' Report

### 14. Audit and non-audit services

Details of the amounts paid or payable to the auditor PwC for audit and non-audit services during the year are disclosed in note 20 Remuneration of auditors.

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

The Board of Directors, in accordance with advice provided by the Audit and Risk Committee, is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

### 15. Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 43.

### 16. Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Directors.



**Craig Roy**  
Chair

27 August 2025



**Michael Goldsworthy**  
CEO/Managing Director



## Auditor's Independence Declaration

As lead auditor for the audit of Silex Systems Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Silex Systems Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Aishwarya Chandran'.

Aishwarya Chandran  
Partner  
PricewaterhouseCoopers

Sydney  
27 August 2025

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## Corporate Governance Statement

Silex Systems Limited (the Company) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Company has reviewed its corporate governance practices against the *Corporate Governance Principles and Recommendations (4th Edition)* published by the ASX Corporate Governance Council.

The 2025 Corporate Governance Statement reflects the corporate governance practices in place throughout the 2025 financial year. The 2025 Corporate Governance Statement was approved by the Board and lodged with the ASX Appendix 4G on 27 August 2025.

A description of the Company's current corporate governance practices is set out in the Company's Corporate Governance Statement which can be viewed at [www.silex.com.au/corporate-values/corporate-governance](http://www.silex.com.au/corporate-values/corporate-governance).





# Annual Financial Report

For the year ended 30 June 2025

## Consolidated financial statements

Consolidated income statement	46
Consolidated statement of comprehensive income	47
Consolidated balance sheet	48
Consolidated statement of changes in equity	49
Consolidated statement of cash flows	50

## Notes to the consolidated financial statements

Note 1 Significant changes in the current reporting period	51	<b>Group structure</b>	
		Note 15 Interests in other entities	70
<b>How numbers are calculated</b>		<b>Additional notes to the financial statements</b>	
Note 2 Segment information	51	Note 16 Commitments for expenditure and guarantees	72
Note 3 Revenue from continuing operations	53	Note 17 Events occurring after the reporting date	72
Note 4 Other income	54	Note 18 Related party transactions	73
Note 5 Expenses	54	Note 19 Share-based payments	74
Note 6 Income tax expense	55	Note 20 Remunerations of auditors	78
Note 7 Assets	56	Note 21 Earnings per share	79
Note 8 Liabilities	60	Note 22 Parent entity financial information	80
Note 9 Leases	62	Note 23 Summary of other potentially material accounting policies	81
Note 10 Equity	63		
Note 11 Cash flow information	65		
<b>Risk</b>			
Note 12 Critical accounting estimates and judgements	66		
Note 13 Financial risk management	66		
Note 14 Climate change	69		

<b>Consolidated entity disclosure statement</b>	86
<b>Directors' declaration</b>	87
<b>Independent auditor's report</b>	88
<b>Shareholder Information</b>	93
<b>Corporate Directory</b>	95

This financial report covers the consolidated entity consisting of Silex Systems Limited and its subsidiaries. A list of subsidiaries is included in note 15. The financial report is presented in the Australian currency.

Silex Systems Limited is a company limited by its shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

**Silex Systems Limited**  
(ABN 69 003 372 067)  
Building 64  
Lucas Heights Science & Technology Centre  
New Illawarra Road  
Lucas Heights NSW 2234  
Australia

The financial report was authorised for issue by the Directors on 27 August 2025. The Directors have the power to amend and reissue the financial report.

All announcements, financial reports and other information are available on our website: [www.silex.com.au](http://www.silex.com.au)

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## Consolidated income statement

For the year ended 30 June 2025

	Notes	2025 \$	2024 \$
Revenue from contracts with customers	3	7,267,654	6,868,445
Interest revenue	3	4,936,635	6,042,046
<b>Revenue from continuing operations</b>		<b>12,204,289</b>	12,910,491
Other income	4	6,409,422	4,329,429
Research and development materials		(4,955,346)	(3,733,967)
Finance costs	5	(90,578)	(40,602)
Depreciation and amortisation expense	5	(496,596)	(428,997)
Employee benefits expense		(10,697,353)	(9,177,288)
Consultants and professional fees		(2,047,149)	(1,051,272)
Printing, postage, freight, stationery and communications		(74,352)	(69,405)
Property outgoings		(89,825)	(163,637)
Net foreign exchange gains and (losses)		294,832	(492,008)
Share of net loss of associates and joint ventures accounted for using the equity method	15(b)	(41,740,072)	(23,224,478)
Other expenses from continuing activities		(1,274,508)	(1,592,374)
<b>(Loss) before income tax expense</b>		<b>(42,557,236)</b>	(22,734,108)
Income tax expense	6	–	–
Net (loss) from continuing operations		(42,557,236)	(22,734,108)
<b>Net (loss) for the year</b>		<b>(42,557,236)</b>	(22,734,108)
<b>Net (loss) is attributable to: Owners of Silex Systems Limited</b>		<b>(42,557,236)</b>	(22,734,108)
	Notes	2025 Cents	2024 Cents
<b>Earnings per share for (loss) from continuing operations attributable to the ordinary equity holders of the Company</b>			
Basic earnings per share	21	(17.9)	(9.6)
Diluted earnings per share	21	(17.9)	(9.6)
<b>Earnings per share for (loss) attributable to the ordinary equity holders of the Company</b>			
Basic earnings per share	21	(17.9)	(9.6)
Diluted earnings per share	21	(17.9)	(9.6)

The above consolidated income statement should be read in conjunction with the accompanying notes.

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## Consolidated statement of comprehensive income

For the year ended 30 June 2025

	Notes	2025 \$	2024 \$
<b>Net (loss) for the year</b>		<b>(42,557,236)</b>	(22,734,108)
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		<b>744,832</b>	(228,076)
Items that will not be reclassified to profit or loss:			
Changes in the fair value of equity investments at fair value through other comprehensive income	7(e)	<b>(2,573,925)</b>	1,242,068
<b>Other comprehensive income for the year, net of tax</b>		<b>(1,829,093)</b>	1,013,992
<b>Total comprehensive income for the year</b>		<b>(44,386,329)</b>	(21,720,116)
Attributable to:			
Owners of Silex Systems Limited		<b>(44,386,329)</b>	(21,720,116)
<b>Total comprehensive income for the year</b>		<b>(44,386,329)</b>	(21,720,116)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

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## Consolidated balance sheet

As at 30 June 2025

	Notes	30 June 2025 \$	30 June 2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7(a)	19,750,436	18,889,379
Other financial assets at amortised cost – term deposits	7(b)	37,100,000	94,200,000
Financial assets at fair value through profit or loss – dual currency term deposits	7(b)	23,704,684	–
Trade and other receivables	7(c)	6,638,679	8,608,979
Other current assets	7(d)	597,120	1,129,775
Financial assets at fair value through other comprehensive income	7(e)	1,403,516	3,905,942
Derivative financial instruments	7(f)	476,415	–
<b>Total current assets</b>		<b>89,670,850</b>	<b>126,734,075</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method	15(b)	8,047,420	13,269,215
Right-of-use assets	9(a)	842,108	1,131,403
Property, plant and equipment	7(g)	399,110	426,598
<b>Total non-current assets</b>		<b>9,288,638</b>	<b>14,827,216</b>
<b>Total assets</b>		<b>98,959,488</b>	<b>141,561,291</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8(a)	6,039,212	7,468,970
Lease liabilities	9(a)	281,066	267,499
Provisions	8(b)	953,030	887,296
<b>Total current liabilities</b>		<b>7,273,308</b>	<b>8,623,765</b>
<b>Non-current liabilities</b>			
Lease liabilities	9(a)	629,138	914,475
Provisions	8(b)	109,175	84,711
<b>Total non-current liabilities</b>		<b>738,313</b>	<b>999,186</b>
<b>Total liabilities</b>		<b>8,011,621</b>	<b>9,622,951</b>
<b>Net assets</b>		<b>90,947,867</b>	<b>131,938,340</b>
<b>Equity</b>			
Contributed equity	10(a)	392,701,992	390,665,622
Reserves	10(b)	12,939,064	13,408,671
Accumulated losses	10(c)	(314,693,189)	(272,135,953)
<b>Total equity</b>		<b>90,947,867</b>	<b>131,938,340</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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## Consolidated statement of changes in equity

For the year ended 30 June 2025

	Attributable to owners of Silex Systems Limited			
	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
<b>Balance at 30 June 2023</b>	<b>386,753,717</b>	<b>11,337,320</b>	<b>(249,401,845)</b>	<b>148,689,192</b>
Net (loss) for the year	–	–	(22,734,108)	(22,734,108)
Other comprehensive income	–	1,013,992	–	1,013,992
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>1,013,992</b>	<b>(22,734,108)</b>	<b>(21,720,116)</b>
<b>Transactions with owners in their capacity as owners</b>				
Contributions of equity net of transaction costs	2,590,247	–	–	2,590,247
Share-based payments – value of services	–	2,379,017	–	2,379,017
Transfer from share-based payments reserve	1,321,658	(1,321,658)	–	–
	3,911,905	1,057,359	–	4,969,264
<b>Balance at 30 June 2024</b>	<b>390,665,622</b>	<b>13,408,671</b>	<b>(272,135,953)</b>	<b>131,938,340</b>
Net (loss) for the year	–	–	(42,557,236)	(42,557,236)
Other comprehensive income	–	(1,829,093)	–	(1,829,093)
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>(1,829,093)</b>	<b>(42,557,236)</b>	<b>(44,386,329)</b>
<b>Transactions with owners in their capacity as owners</b>				
Contributions of equity net of transaction costs	697,777	–	–	697,777
Share-based payments – value of services	–	2,698,079	–	2,698,079
Transfer from share-based payments reserve	1,338,593	(1,338,593)	–	–
	<b>2,036,370</b>	<b>1,359,486</b>	<b>–</b>	<b>3,395,856</b>
<b>Balance at 30 June 2025</b>	<b>392,701,992</b>	<b>12,939,064</b>	<b>(314,693,189)</b>	<b>90,947,867</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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## Consolidated statement of cash flows

For the year ended 30 June 2025

	Notes	2025 \$	2024 \$
<b>Cash flows from operating activities</b>			
Receipts from customers and government grants (inclusive of GST)		17,027,104	19,502,308
Payments to suppliers and employees (inclusive of GST)		(20,018,219)	(18,614,474)
Interest received		6,098,360	5,291,483
Interest paid		(90,578)	(40,602)
<b>Net cash inflows from operating activities</b>	11(a)	3,016,667	6,138,715
<b>Cash flows from investing activities</b>			
Payment for investments accounted for using the equity method		(35,851,480)	(33,170,953)
Payments for financial assets at amortised cost – term deposits		(14,000,000)	(73,000,000)
Proceeds from other financial assets at amortised cost – term deposits		71,100,000	114,000,000
Payments for financial assets at fair value through profit or loss – dual currency term deposits		(116,851,460)	–
Proceeds from financial assets at fair value through profit or loss – dual currency term deposits		93,146,776	–
Payments for property, plant and equipment	7(g)	(161,274)	(285,395)
Proceeds from sale of property, plant and equipment		4,321	15,036
<b>Net cash (outflows)/inflows from investing activities</b>		(2,613,117)	7,558,688
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares, net of transaction costs	10(a)	697,777	2,590,247
Repayment of principal elements of leases		(294,719)	(249,974)
<b>Net cash inflows from financing activities</b>		403,058	2,340,273
<b>Net increase in cash and cash equivalents</b>		806,608	16,037,676
Cash and cash equivalents at the beginning of the financial year		18,889,379	2,859,572
Effects of exchange rate changes on cash		54,449	(7,869)
<b>Cash and cash equivalents at end of year<sup>1, 2</sup></b>		19,750,436	18,889,379
Non-cash financing and investing activities	11(b)		
1 Term deposits excluded from Cash and cash equivalents		37,100,000	94,200,000
2 Dual currency term deposits excluded from Cash and cash equivalents		23,704,684	–

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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## Notes to the consolidated financial statements

### Note 1 Significant changes in the current reporting period

During the year, GLE's owners agreed to a plan and budget for CY2025 that enabled the continuation of GLE's commercialisation plan for the SILEX uranium enrichment technology. The CY2025 plan and budget allows for an approximate 50% increase of GLE's operating expenditures, compared to actual expenditure for CY2024.

### Note 2 Segment information

#### a. Description of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. Management has determined that there are three operating segments based on the reports reviewed by Management and the Board of Directors to make strategic decisions. These segments are Silex Systems, Translucent and Silex USA. Silex Systems is based in New South Wales and Translucent and Silex USA are based in North Carolina. The Silex USA segment includes the share of loss from GLE.

#### b. Segment information provided to Management and the Board of Directors

The segment information provided to Management and the Board of Directors for the reportable segments for the year ended 30 June 2025 is as follows:

2025	Silex Systems \$	Translucent \$	Silex USA \$	Total \$
Total segment revenue	6,850,523	2,023,423	–	8,873,946
Inter-segment revenue	(58,126)	(1,548,166)	–	(1,606,292)
<b>Revenue from external customers</b>	<b>6,792,397</b>	<b>475,257</b>	<b>–</b>	<b>7,267,654</b>
<b>Interest revenue</b>	<b>4,936,635</b>	<b>–</b>	<b>–</b>	<b>4,936,635</b>
<b>Revenue from continuing operations</b>	<b>11,729,032</b>	<b>475,257</b>	<b>–</b>	<b>12,204,289</b>
<b>Segment result</b>	<b>(693,412)</b>	<b>410,238</b>	<b>(42,274,062)</b>	<b>(42,557,236)</b>
<b>Other profit and loss disclosures</b>				
Depreciation and amortisation	496,596	–	–	496,596
Interest expense	90,578	–	–	90,578
Income tax expense	–	–	–	–
Share of net loss of joint venture using the equity method	–	–	41,740,072	41,740,072
<b>Total segment assets</b>	<b>86,065,685</b>	<b>4,836,383</b>	<b>8,057,420</b>	<b>98,959,488</b>
<b>Total assets include:</b>				
Additions to non-current assets (other than deferred tax and investments in joint ventures)	184,223	–	–	184,223
Amount invested in joint ventures accounted for using the equity method	–	–	35,851,480	35,851,480
<b>Total segment liabilities</b>	<b>7,909,636</b>	<b>14,594</b>	<b>87,391</b>	<b>8,011,621</b>

## Notes to the consolidated financial statements

### Note 2 Segment information (continued)

2024	Silex Systems \$	Translucent \$	Silex USA \$	Total \$
Total segment revenue	6,155,128	2,250,248	–	8,405,376
Inter-segment revenue	(48,799)	(1,488,132)	–	(1,536,931)
<b>Revenue from external customers</b>	<b>6,106,329</b>	<b>762,116</b>	<b>–</b>	<b>6,868,445</b>
<b>Interest revenue</b>	<b>6,042,046</b>	<b>–</b>	<b>–</b>	<b>6,042,046</b>
<b>Revenue from continuing operations</b>	<b>12,148,375</b>	<b>762,116</b>	<b>–</b>	<b>12,910,491</b>
<b>Segment result</b>	<b>(210,446)</b>	<b>462,167</b>	<b>(22,985,829)</b>	<b>(22,734,108)</b>
<b>Other profit and loss disclosures</b>				
Depreciation and amortisation	428,997	–	–	428,997
Interest expense	40,602	–	–	40,602
Income tax expense	–	–	–	–
Share of net loss of joint venture using the equity method	–	–	23,224,478	23,224,478
<b>Total segment assets</b>	<b>121,362,832</b>	<b>6,880,403</b>	<b>13,318,056</b>	<b>141,561,291</b>
<b>Total assets include:</b>				
Additions to non-current assets (other than deferred tax and investments in joint ventures)	945,205	–	–	945,205
Amount invested in joint ventures accounted for using the equity method	–	–	33,170,953	33,170,953
<b>Total segment liabilities</b>	<b>9,577,685</b>	<b>14,837</b>	<b>30,429</b>	<b>9,622,951</b>

#### c. Other segment information

##### i. Segment revenue

Sales between Silex entities are carried out at arm's length and are eliminated on consolidation.

Silex is domiciled in Australia. Translucent and Silex USA are domiciled in the United States. Segment revenues are allocated based on the country in which the customer is located. The amount of the Company's revenue from external customers in the United States is \$6,792,397 (2024: \$6,106,329) and the total segment revenue from external customers in Wales, United Kingdom is \$475,257 (2024: \$762,116).

##### ii. Segment result

The Board of Directors assess the performance of the operating segments based on results that excludes exchange gains and losses on intercompany loans which eliminate on consolidation. The segment result agrees to the Net (loss) from continuing operations in both years.

##### iii. Segment assets

Assets which eliminate on consolidation such as investments in controlled entities and intercompany receivables are excluded from segment assets. Segment assets agree to the consolidated balance sheet for both periods.

The total of non-current assets located in Australia is \$1,152,275 (2024: \$1,469,370) and the total of these non-current assets located in the United States is \$8,136,363 (2024: \$13,357,846).

##### iv. Segment liabilities

Reportable segment liabilities exclude intercompany loans, income tax payable and deferred tax liabilities. Segment liabilities agree to the consolidated balance sheet for both periods.



## Notes to the consolidated financial statements

### Note 3 Revenue from continuing operations

	2025 \$	2024 \$
Recoverable project costs	6,792,397	6,106,329
Royalty revenue – sale of cREO® technology	475,257	762,116
	7,267,654	6,868,445
Interest revenue	4,936,635	6,042,046
	12,204,289	12,910,491

Revenue is measured at the fair value of the consideration received or receivable.

#### Revenue is recognised for the following business activities:

##### i. Recoverable project costs

Project costs recoverable from GLE for the Company's costs incurred for the SILEX uranium enrichment development program is recorded as Revenue when the related costs are incurred. Revenues of \$6,792,397 (2024: \$6,106,329) were derived from GLE for Recoverable project costs on the uranium enrichment project. GLE is based in the United States. Revenue recognised in advance is recognised as accrued income. Revenue is recognised at a point in time.

##### ii. Royalty revenue – sale of intellectual property – cREO® technology – accounting policy and significant judgements

Variable consideration from the sale of Translucent's cREO® technology is required to be estimated in accordance with AASB 15 *Revenue from Contracts with Customers*. The variable consideration in the form of royalties relating to the sale of the cREO® technology is calculated using the most likely amount method. Royalty revenue of \$475,257 was recognised during the year (2024: \$762,116). IQE Plc is based in Wales, United Kingdom. The revenue is currently recognised at a point in time and estimated at each reporting date.

##### iii. Interest revenue

Interest revenue is recognised on a time proportion basis using the effective interest method. Interest revenue was derived from the investment of the Company's cash reserves in Australia.

## Notes to the consolidated financial statements

### Note 4 Other income

	2025 \$	2024 \$
Research and development tax incentive	<b>4,209,827</b>	2,803,950
Government grants	<b>1,517,909</b>	1,006,143
Other income – project subsidies	<b>681,686</b>	504,300
Profit on sale of property, plant and equipment	–	15,036
	<b>6,409,422</b>	4,329,429

With respect to the Research and development tax incentive and Government grants, Other income is recognised when there is reasonable assurance that the incentive/grant will be received and the amount can be reliably calculated.

#### a. Research and development tax incentive

Research and development tax incentive income of \$4,209,827 (2024: \$2,803,950) was recognised as Other income by the Company during the year. There are no unfulfilled conditions or other contingencies attaching to the incentive.

#### b. Government grants

Defence Trailblazer for Concept to Sovereign Capability Program income of \$1,517,909 (2024: \$1,006,143) was recognised during the year. The Company has met the conditions of the grant.

### Note 5 Expenses

	2025 \$	2024 \$
Net (loss) from continuing operations before income tax includes the following expenses:		
Depreciation of plant and equipment – refer note 7(g)	<b>184,352</b>	145,101
Depreciation on right-of-use assets – refer note 9(b)	<b>312,244</b>	283,896
<b>Total depreciation and amortisation</b>	<b>496,596</b>	428,997
Finance costs		
Interest and finance charges paid/payable	<b>90,578</b>	40,602
<b>Finance costs expensed</b>	<b>90,578</b>	40,602
Defined contribution superannuation expense	<b>570,032</b>	417,148
Foreign exchange (gains)/losses (net)	<b>(294,832)</b>	492,008

## Notes to the consolidated financial statements

### Note 6 Income tax expense

This note provides an analysis of the Company's income tax expense and explains why a deferred tax asset has not been recognised by the Company.

#### a. Numerical reconciliation of income tax expense to prima facie tax payable

	2025 \$	2024 \$
(Loss) before income tax expense	(42,557,236)	(22,734,108)
Income tax calculated @ 25.0%	(10,639,309)	(5,683,527)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share based payments	674,520	599,455
Research and development tax incentive	2,511,748	966,448
Sundry items	4,000	3,250
	(7,449,041)	(4,114,374)
Net deferred tax asset not recognised	6,821,084	3,776,520
Difference in overseas tax rates	627,957	337,854
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

#### b. Tax losses

	2025 \$	2024 \$
Unused tax losses for which no deferred tax asset has been recognised	222,126,813	206,321,241
Potential tax benefit at tax rate	52,394,799	48,991,112

A deferred tax asset has not been recognised as the consolidated entity has a history of tax losses.

The benefit of a deferred tax asset will only be obtained if:

- the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

## Notes to the consolidated financial statements

### Note 7 Assets

This note provides information about the Company's assets.

#### Note 7(a) Current assets – Cash and cash equivalents

	2025 \$	2024 \$
<b>Cash at bank</b>	<b>19,750,436</b>	18,889,379

Cash and cash equivalents include deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Additional information on the Company's exposure to interest rate risk is discussed in note 13.

#### Note 7(b) (i) Current assets – Other financial assets at amortised cost – Term deposits

	2025 \$	2024 \$
<b>Bank deposits – Term deposits</b>	<b>37,100,000</b>	94,200,000

Other financial assets at amortised cost are assets held to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. Other financial assets at amortised cost are included in current assets as all have maturities less than 12 months from the end of the reporting period.

The bank deposits at 30 June 2025 earn interest at between 4.15% and 5.40% (2024: between 4.81% and 5.55%).

#### Note 7(b) (ii) Current assets – Financial assets at fair value through profit or loss – Dual currency term deposits

	2025 \$	2024 \$
<b>Level 2*</b>		
<b>Bank deposits – dual currency term deposits</b>	<b>23,704,684</b>	–

\* Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Financial assets at fair value through profit or loss have maturities of 2 months or less. They are held to collect the contractual cash flows. The deposits at 30 June 2025 earn interest at between 8.00% and 9.00%.



## Notes to the consolidated financial statements

### Note 7(c) Trade and other receivables

	2025 \$	2024 \$
Trade receivables from contracts with customers	875,442	2,890,220
Accrued income – other	5,745,132	5,709,311
Other receivables	18,105	9,448
	<b>6,638,679</b>	<b>8,608,979</b>

#### i. Accrued income – other

Accrued income includes accrued research and development tax incentive, accrued interest and accrued project subsidy income.

#### ii. Impairment of receivables

Information about the impairment of receivables can be found in note 13(c).

#### iii. Foreign exchange and interest rate risk

Information concerning the Company's exposure to foreign currency in relation to trade and other receivables is provided in note 13.

#### iv. Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. Refer to note 13 for information on credit risk.

### Note 7(d) Current assets – Other current assets

	2025 \$	2024 \$
Prepayments	597,120	1,129,775

## Notes to the consolidated financial statements

### Note 7(e) **Current assets – Financial assets at fair value through other comprehensive income**

	2025 \$	2024 \$
<b>Level 1*</b>		
<b>Listed securities</b>		
Equity securities – shares in IQE Plc	1,403,516	3,905,942

\* Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price.

#### i. **Classification and measurement of financial assets at fair value through other comprehensive income**

The Company irrevocably elected to value its shares in IQE at 30 June 2019 as financial assets at fair value through other comprehensive income. This election was made so that large movements in the value of the shares do not significantly impact the consolidated income statement. The shares are classified as Level 1 in the fair value hierarchy. There were no dividends received during the current or prior years.

For an analysis of the sensitivity of financial assets at fair value through other comprehensive income to foreign exchange rate and price risk, refer to note 13(b).

#### ii. **Amounts recognised in Other comprehensive income**

During the year, the following losses were recognised in Other comprehensive income:

	2025 \$	2024 \$
(Losses)/profits recognised in Other comprehensive income – refer note 10(b)	(2,573,925)	1,242,068

### Note 7(f) **Current assets – Derivative financial instruments**

	2025 \$	2024 \$
Foreign currency forwards – refer note 13(a)	476,415	–

## Notes to the consolidated financial statements

### Note 7(g) Non-current assets – Property, plant and equipment

	Plant and equipment \$	Motor vehicles \$	Total \$
<b>At 30 June 2023</b>			
Cost	1,550,237	59,737	1,609,974
Accumulated depreciation	(1,268,586)	(55,149)	(1,323,735)
Net book amount	281,651	4,588	286,239
<b>Year ended 30 June 2024</b>			
Opening net book amount	281,651	4,588	286,239
Additions	197,167	88,228	285,395
Disposals	–	–	–
Depreciation charge	(125,883)	(19,218)	(145,101)
Exchange differences	–	65	65
Closing net book value	352,935	73,663	426,598
<b>At 30 June 2024</b>			
Cost	1,545,988	102,844	1,648,832
Accumulated depreciation	(1,193,053)	(29,181)	(1,222,234)
Net book amount	352,935	73,663	426,598
<b>Year ended 30 June 2025</b>			
Opening net book amount	352,935	73,663	426,598
Additions	161,274	–	161,274
Disposals	(5,319)	–	(5,319)
Depreciation charge	(164,760)	(19,592)	(184,352)
Exchange differences	–	909	909
Closing net book value	344,130	54,980	399,110
<b>At 30 June 2025</b>			
Cost	1,699,252	103,787	1,803,039
Accumulated depreciation	(1,355,122)	(48,807)	(1,403,929)
<b>Net book amount</b>	<b>344,130</b>	<b>54,980</b>	<b>399,110</b>

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives, as follows:

- Plant and equipment 1–10 years
- Motor Vehicles 3–5 years

The asset's residual value and useful life are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer note 23(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated income statement. When revalued assets are sold, it is Company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

## Notes to the consolidated financial statements

### Note 7(h) Deferred tax assets

	2025 \$	2024 \$
The balance comprises temporary differences attributable to:		
<i>Amounts recognised in profit or loss</i>		
Provision for employee entitlements, warranties, restructuring and decommissioning	265,551	243,002
Payables and other provisions	955,647	1,289,554
Financial assets at fair value through other comprehensive income	793,278	185,019
Lease liabilities	227,551	295,494
Depreciation and amortisation	277,054	204,487
Credit losses	107,634	88,082
Foreign currency cash balances	32,448	–
Tax losses	52,394,799	48,991,112
	55,053,962	51,296,750
Set-off deferred tax liabilities pursuant to set-off provisions	(652,810)	(4,573,973)
Net deferred tax assets not recognised	(54,401,152)	(46,722,777)
<b>Net deferred tax assets</b>	<b>–</b>	<b>–</b>

A deferred tax asset has not been recognised as the consolidated entity has a history of tax losses.

### Note 8 Liabilities

This note provides information about the Company's liabilities.

#### Note 8(a) Trade and other payables

	2025 \$	2024 \$
Trade creditors	1,092,579	2,350,887
Unearned income	4,407,591	4,446,036
Derivative financial instruments – forward exchange contracts – refer note 13(a)	–	218,618
Other payables	539,042	453,429
	6,039,212	7,468,970

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade creditors are usually paid within 45 days of recognition. Trade creditors, derivative financial instruments and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

#### i. Amounts not expected to be settled within the next 12 months

Other payables include accruals for annual leave. The entire annual leave obligation is presented as current, since the Company does not have an unconditional right to defer settlement. However, based on past experience, the Company does not expect all employees to take the full amount of accrued annual leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months:

	2025 \$	2024 \$
<b>Current annual leave obligations expected to be settled after 12 months</b>	<b>148,427</b>	<b>55,119</b>

#### ii. Risk exposure

Information about the Company's exposure to foreign exchange risk is provided in note 13.



## Notes to the consolidated financial statements

### Note 8(b) Provisions

	2025			2024		
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Employee benefits – long service leave	806,949	69,175	876,124	741,215	44,711	785,926
Other	146,081	40,000	186,081	146,081	40,000	186,081
	953,030	109,175	1,062,205	887,296	84,711	972,007

#### i. Amounts not expected to be settled within the next 12 months

The current portion of the provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of \$806,949 (2024: \$741,215) is presented as current, since the Company does not have an unconditional right to defer settlement. However, based on past experience, the Company does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

	2025 \$	2024 \$
<b>Current long service leave obligations expected to be settled after 12 months</b>	<b>737,015</b>	684,338

Movements in each class of provision during the financial year, other than long service leave, are set out below:

	Other \$
Carrying amount at start of the year	186,081
<b>Carrying amount at end of the year</b>	<b>186,081</b>

Provision is made for the estimated warranty claims in respect of solar panels that were previously sold by the Company. The claims may be settled in the next financial year and this may be extended into future years. The Company is also required to restore its leased premises under the terms of the lease contract. A provision has been recognised for the present value of the estimated expenditure required to meet these obligations.

### Note 8(c) Non-current liabilities - Deferred tax liabilities

	2025 \$	2024 \$
<b>The balance comprising temporary differences attributable to:</b>		
Foreign currency cash balances and loans	–	3,509,044
Right-of-use assets	210,527	282,851
Accrued income	442,283	782,078
	652,810	4,573,973
Set off deferred tax liabilities pursuant to set-off provisions	(652,810)	(4,573,973)
<b>Net deferred tax liabilities</b>	<b>–</b>	<b>–</b>

## Notes to the consolidated financial statements

### Note 9 Leases

This note provides information for leases where the Company is a lessee.

#### Note 9(a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	2025 \$	2024 \$
<b>Right-of-use assets</b>		
Buildings	842,108	1,131,403
<b>Lease liabilities</b>		
Current	281,066	267,499
Non-current	629,138	914,475
	910,204	1,181,974

Additions to the right-of-use assets during the current year were \$nil (2024: \$66,987). Increases to right-of-use assets as a result of lease modifications were \$22,949 (2024: \$592,823).

#### Note 9(b) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts related to leases:

	2025 \$	2024 \$
<b>Depreciation charge on right-of-use assets</b>		
Buildings	312,244	283,896
<b>Interest expense (included in finance costs)</b>	90,578	40,602

The total cash outflow for leases during the current year was \$385,297 (2024: \$290,576).

#### Note 9(c) The Company's leasing activities and how these are accounted for

The Company leases buildings and equipment. Rental contracts are generally for fixed periods of 1 year to 5 years but may have extension options. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentive receivable;
- variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

## Notes to the consolidated financial statements

### Note 10 Equity

The note provides information about the Company's equity.

#### Note 10(a) Contributed equity

##### i. Share capital

	Parent entity		Parent entity	
	2025 Shares	2024 Shares	2025 \$	2024 \$
<b>Ordinary shares</b>				
<b>Fully paid</b>	<b>238,105,724</b>	236,875,501	<b>392,701,992</b>	390,665,622

##### ii. Movements in ordinary share capital

Date	Details	Number of shares	\$
30 June 2023	Balance	235,423,937	386,753,717
23 August 2023	Issue of shares – performance rights	395,138	980,710
29 February 2024	Issue of shares	395,507	2,000,000
Various	Issue of shares – options exercise	660,919	612,893
Various	Transfer from share-based payments reserve – options		340,948
		236,875,501	390,688,268
Less:	Transaction costs arising on share issues	–	(22,646)
30 June 2024	Balance	236,875,501	390,665,622
5 September 2024	Issue of shares – performance rights	366,023	874,184
Various	Issue of shares – options exercise	864,200	712,551
Various	Transfer from share-based payments reserve – options	–	464,409
		238,105,724	392,716,766
Less:	Transaction costs arising on share issues	–	(14,774)
<b>30 June 2025</b>	<b>Balance</b>	<b>238,105,724</b>	<b>392,701,992</b>

##### iii. Ordinary shares

Ordinary shares are classified as equity. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

The ordinary shares have no par value. In order to maintain or adjust the capital structure, the Company may issue new shares. The Company's objectives when managing capital are to safeguard their ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

##### iv. Options

Information relating to the Silex Systems Limited Employee Incentive Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 19(b).

##### v. Performance Rights

Information relating to the Silex Systems Limited Employee Incentive Plan, including details of Performance Rights issued, vested, forfeited and lapsed during the financial year and rights outstanding at the end of the financial year, is set out in note 19(c).

## Notes to the consolidated financial statements

### Note 10(b) Reserves

	2025 \$	2024 \$
Foreign currency translation reserve	855,504	110,672
Revaluation – Fair value through other comprehensive income	(4,569,107)	(1,995,182)
Transactions with non–controlling interests	(2,906,913)	(2,906,913)
Share–based payments reserve	19,559,580	18,200,094
	12,939,064	13,408,671

#### i. Movements in reserves

Foreign currency translation reserve	2025 \$	2024 \$
Balance at the beginning of the financial year	110,672	338,748
Net exchange differences on translation of foreign controlled entity	744,832	(228,076)
Balance at the end of the financial year	855,504	110,672

Revaluation – Fair value through other comprehensive income	2025 \$	2024 \$
Balance at the beginning of the financial year	(1,995,182)	(3,237,250)
Differences on revaluation	(2,573,925)	1,242,068
Balance at the end of the financial year	(4,569,107)	(1,995,182)

Transactions with non–controlling interests	2025 \$	2024 \$
Balance at the beginning of the financial year	(2,906,913)	(2,906,913)
Balance at the end of the financial year	(2,906,913)	(2,906,913)

Share–based payments reserve	2025 \$	2024 \$
Balance at the beginning of the financial year	18,200,094	17,142,735
Share–based payment expense	2,698,079	2,379,017
Transfer to share capital	(1,338,593)	(1,321,658)
Balance at the end of the financial year	19,559,580	18,200,094

#### ii. Nature and purpose of reserves

##### Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in Note 23(c). The reserve is recognised in profit and loss when the net investment is disposed.

##### Revaluation – Fair value through other comprehensive income

Changes in the fair value of investments that are classified as fair value through other comprehensive income are recognised in Other comprehensive income and accumulated in a separate reserve within equity. Amounts are not reclassified to profit or loss when the associated assets are sold or impaired.

##### Transactions with non–controlling interests

This reserve is used to record the differences described in Note 23(b) which may arise as a result of transactions with non–controlling interests that do not result in a loss of control.

##### Share–based payments reserve

The Share–based payments reserve is used to recognise:

- the grant date fair value of options issued to employees and consultants but not exercised;
- the grant date fair value of deferred shares (i.e., performance rights) granted to employees but, not yet vested; and
- the grant date fair value of shares to be issued.

## Notes to the consolidated financial statements

### Note 10(c) Accumulated losses

	2025 \$	2024 \$
Accumulated losses at the beginning of the financial year	(272,135,953)	(249,401,845)
Net (loss) attributable to members of Silex Systems Limited	(42,557,236)	(22,734,108)
<b>Accumulated losses at the end of the financial year</b>	<b>(314,693,189)</b>	<b>(272,135,953)</b>

### Note 11 Cash flow information

#### Note 11(a) Reconciliation of net (loss) after income tax to net cash inflows from operating activities

	2025 \$	2024 \$
Net (loss) after income tax	(42,557,236)	(22,734,108)
Adjustments for:		
Depreciation and amortisation	496,596	428,997
Non cash benefits expense – share based payments	2,698,079	2,397,820
Net exchange differences	(47,824)	66,127
Share of net losses of joint ventures	41,740,072	23,224,478
Decrease/(increase) in prepayments and other current assets	56,240	(302,679)
Decrease/(increase) in trade and other debtors	2,006,121	(1,807,672)
(Increase) in accrued income – other	(35,821)	(837,011)
(Decrease)/increase in trade and other creditors	(1,429,758)	5,655,803
Increase in provisions	90,198	46,960
<b>Net cash inflows from operating activities</b>	<b>3,016,667</b>	<b>6,138,715</b>

#### Note 11(b) Non-cash investing and financing activities

Details regarding Non-cash investing and financing activities are disclosed in other notes. The acquisition of right-of-use assets is detailed in note 9 and options and rights issued under the Silex Systems Limited Employee Incentive Plan in note 19.



## Notes to the consolidated financial statements

### Note 12 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

An area involving significant estimates or judgements is the recognition of variable consideration (in the form of revenue royalties) from the sale of the cREO® technology (note 3).

### Note 13 Financial risk management

The Company's activities expose it to a variety of financial risks, market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risk.

Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies, evaluates and manages financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk and investing excess liquidity.

#### a. Derivatives

Foreign exchange contracts are used to manage foreign exchange risk. The Company may enter into forward exchange contracts which are economic hedges for foreign currencies to be traded at a future date but do not satisfy the requirements for hedge accounting. These contracts are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity. Any changes in fair values are taken to the income statement immediately.

The Company's policy is to hedge a proportion of its anticipated cash flows in USD. At year end, the Company held US\$14,100,000 in forward exchange contracts with contractual dates up to November 2025 (2024: US\$4,900,000 of forward exchange up to December 2024) to purchase USD as part of its strategy to minimise the financial effects of foreign currency fluctuations. The Board monitors the Company's hedging strategy on a continuing basis. The fair value of derivative contracts outstanding at year end totals \$476,415 and is recorded in Current assets – Derivative financial instruments. At 30 June 2024, the fair value of derivative financial instruments outstanding was (\$218,618) and was recorded in Trade and other payables.

#### b. Market risk

##### i. Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the USD.

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Company's exposure to USD foreign currency risk at the reporting date, expressed in Australian dollars, was as follows:

	2025 AUD	2024 AUD
Cash and cash equivalents	14,514,675	787,791
Financial assets at fair value through profit or loss – dual currency term deposits	23,704,684	–
Trade and other receivables	917,023	1,179,851
Trade and other payables	17,691	–
Forward exchange contracts – buy foreign currency	21,050,303	7,565,055

## Notes to the consolidated financial statements

### Note 13 Financial risk management (continued)

Profit or loss is sensitive to the value of the AUD compared to the USD.

	Impact on post-tax profit		Impact on other components of equity	
	2025 \$	2024 \$	2025 \$	2024 \$
AUD/USD – increase by 15%	(5,998,242)	(1,214,880)	(5,998,242)	(1,214,880)
AUD/USD – decrease by 15%	9,113,894	1,643,661	9,113,894	1,643,661

The Company also owns shares in IQE Plc, a UK based company, resulting from the 2015 Option, License and Assignment Agreement. IQE's shares are listed on the London Stock Exchange (GBP currency) (AIM: IQE). The impact of an increase or decrease in the AUD/GBP would not impact post-tax profits as it is accounted for in Other comprehensive income. The impact of a 15% increase in the AUD/GBP would decrease other components of equity by \$183,067 (2024: \$509,471) and a 15% decrease in the AUD/GBP would increase other components of equity by \$247,679 (2024: \$689,284).

#### ii. Cash flow and fair value interest rate risk

As the Company has interest-bearing assets, the Company's income and operating cash flows are influenced by changes in market interest rates. Company policy is to maintain the majority of cash and cash equivalents at fixed rates by the use of term deposits.

The Company manages its cash flow interest rate risk by having a spread of maturity dates with different institutions.

As at the reporting date, the Company had the following variable interest rate cash and cash equivalents:

	30 June 2025		30 June 2024	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Cash and cash equivalents	3.78	16,317,569	4.57	7,914,918

Profit or loss is sensitive to higher / lower interest income from cash and cash equivalents as a result of changes in interest rates.

	Impact on post-tax profit		Impact on other components of equity	
	2025 \$	2024 \$	2025 \$	2024 \$
Interest rates – increase by 1.00%	127,239	56,592	127,239	56,592
Interest rates – decrease by 1.00%	(127,239)	(56,592)	(127,239)	(56,592)

#### iii. Price risk

The Company's exposure to equity securities price risk arises from the Company's shares in IQE Plc, which are classified in the consolidated balance sheet as financial assets at fair value through other comprehensive income.

The impact of an increase or decrease in the IQE share price would not impact post-tax profits as it is accounted for in Other comprehensive income. The impact of a 10% increase in IQE's share price would increase other components of equity by \$140,352 (2024: \$390,594) and a 10% decrease in IQE's share price would reduce other components of equity by \$140,352 (2024: \$390,594). The impact of a 20% increase in IQE's share price would increase other components of equity by \$280,703 (2024: \$781,188) and a 20% decrease in IQE's share price would reduce other components of equity by \$280,703 (2024: \$781,188).

## Notes to the consolidated financial statements

### Note 13 Financial risk management (continued)

#### c. Credit risk

Credit risk arises from cash and cash equivalents, term deposits, dual currency term deposits and receivables. The Company has a concentration of credit risk with its main receipts coming from GLE for Recoverable project costs, banks (interest income), government (Research and development tax incentive and Defence Trailblazer Grant), and IQE Plc (in relation to the sale of the cREO® technology).

The Company has policies in place to ensure that transactions are with entities with an appropriate credit history. For banks and financial institutions, only independently rated parties with a minimum rating as approved by the Board are accepted. Cash transactions are limited to high credit quality financial institutions. The Company has policies that limit the amount of credit exposure to any one financial institution.

The credit quality of customers, banks and governments can be assessed by reference to external credit ratings (if available). If they are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Company assesses the credit quality by taking into account the financial position, past experience and other factors.

As the Company holds a 51% interest in GLE, the credit risk with respect to Recoverable project costs is mitigated.

#### Impairment of financial assets

While cash and cash equivalents are subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial. All of the Company's term deposits and dual currency term deposits (disclosed under AASB 9 as Other financial assets at amortised cost and financial assets at fair value through profit or loss – dual currency term deposits) are considered to have low credit risk given the credit ratings of the bank where the deposits are held. The Company has reviewed the credit ratings and corporate default rates of the various banks by credit rating agencies. Applying the expected credit loss model, the identified impairment loss was immaterial at 30 June 2025 (and at 30 June 2024).

Cash and cash equivalents, other financial assets at amortised cost – term deposits, and financial assets at fair value through profit or loss – dual currency term deposits	2025 \$	2024 \$
ANZ Banking Group Limited	46,122,253	33,114,918
Westpac Banking Corporation	20,000,000	50,000,000
National Australia Bank	11,000,000	27,000,000
Bank of America	3,432,867	2,974,461
	80,555,120	113,089,379

Trade and other receivables are also subject to the expected credit loss model. Trade receivables include \$458,015 (2024: \$374,818) for royalties from the sale of the Company's cREO® technology. Impairment losses for Trade and other receivables were immaterial at 30 June 2025 (and at 30 June 2024).

## Notes to the consolidated financial statements

### Note 13 Financial risk management (continued)

#### d. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company manages liquidity by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

#### Financing arrangements

The Company had access to the following undrawn borrowing facilities at the reporting date:

	2025 \$	2024 \$
<b>Floating rate</b>		
<b>Expiring within one year (documentary credit facility and visa facility)</b>	<b>200,000</b>	200,000

The borrowing facilities are a documentary credit facility and visa facility that may be drawn at any time and is subject to annual review.

#### Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows.

At 30 June 2025	Less than 6 months \$	6–12 months \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying Amounts (assets)/ liabilities \$
<b>Non-derivatives</b>							
Non-interest bearing	1,114,579	–	–	–	–	1,114,579	1,114,579
Lease liabilities	157,258	184,588	346,367	347,045	–	1,035,258	910,204
<b>Total non-derivatives</b>	<b>1,271,837</b>	<b>184,588</b>	<b>346,367</b>	<b>347,045</b>	<b>–</b>	<b>2,149,837</b>	<b>2,024,783</b>

At 30 June 2024	Less than 6 months \$	6–12 months \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying Amounts (assets)/ liabilities \$
<b>Non-derivatives</b>							
Non-interest bearing	2,372,887	–	–	–	–	2,372,887	2,372,887
Lease liabilities	178,927	179,079	337,595	711,019	–	1,406,620	1,181,974
<b>Total non-derivatives</b>	<b>2,551,814</b>	<b>179,079</b>	<b>337,595</b>	<b>711,019</b>	<b>–</b>	<b>3,779,507</b>	<b>3,554,861</b>

#### e. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual values at the current market interest rates that is available to the Company for similar instruments.

### Note 14 Climate change

In preparing these consolidated financial statements the group has considered the impact of climate change risks on the assets and liabilities recognised and presented within the consolidated financial statements. There is no material impact on the value of assets and liabilities at 30 June 2025 as a result of climate change risks. The Company is continuing to develop its assessment of the impact of climate change in line with emerging industry and regulatory guidance.

## Notes to the consolidated financial statements

### Note 15 Interests in other entities

#### a. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 23(b).

Name of entity	Place of business/country of incorporation	Class of shares	2025 %	2024 %
Translucent Inc	US	Ordinary	100%	100%
		<b>Total</b>	<b>100%</b>	100%
Silex USA LLC	US	Interest	100%	100%
		<b>Total</b>	<b>100%</b>	100%

#### b. Interests in joint ventures

Set out below are details of the Global Laser Enrichment Holdings LLC (GLE Holdco) joint venture as at 30 June 2025, which is material to the Company:

Name of entity	Place of business/country of incorporation	Ownership interest		Nature of relationship	Measurement method	Carrying amount	
		2025 %	2024 %			2025 \$	2024 \$
Global Laser Enrichment Holdings LLC	US	<b>51%</b>	51%	Joint venture	Equity method	<b>8,047,420</b>	13,269,215

GLE Holdco acquired Global Laser Enrichment LLC (GLE) on 31 January 2021. GLE holds the exclusive worldwide licence to commercialise the SILEX technology for uranium enrichment. Cameco Corporation indirectly owns the remaining 49% of GLE Holdco.

#### i. Significant judgement: existence of joint control

In accordance with the Amended and Restated Limited Liability Company Agreement of GLE Holdco, decisions of the Governing Board are based on the voting of percentage of interests held by the GLE Holdco Governing Board Members. Silex's Governing Board Members hold a 51% interest and the Cameco Governing Board Members hold a 49% interest. The affirmative vote of Governing Board members representing greater than 51% of the total percentage interests is required for an affirmative vote. Therefore, Silex has joint control of GLE Holdco with Cameco.

#### ii. Commitments and contingent liabilities in respect of the GLE Holdco joint venture

	2025 \$	2024 \$
<b>Commitments – joint ventures</b>		
Commitments to provide funding for joint venture's capital commitments, if called	<b>34,259,542</b>	18,351,100
<b>Contingent liabilities – joint venture</b>		
Share of joint venture's contingent liabilities	<b>4,112,266</b>	4,576,836

On 28 July 2023, GLE entered into a lease for a new facility in Wilmington, NC. A parent company guarantee was required to be provided by the Company and Cameco Corporation in relation to the rent and other lease related obligations associated with the premises tenanted by GLE. The guarantee will reduce over the term of the lease.



## Notes to the consolidated financial statements

### Note 15 Interests in other entities (continued)

#### iii. Summarised financial information for GLE Holdco joint venture

The tables below provide summarised financial information for the GLE Holdco joint venture. The information disclosed reflects the amounts presented in the financial statements of GLE Holdco and not Silex's share of those amounts. The information has been amended to reflect adjustments made by the Company when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised balance sheet	2025 \$	2024 \$
Current assets		
Cash and cash equivalents	6,458,805	23,910,812
Other current assets	5,020,139	3,582,704
Total current assets	11,478,944	27,493,516
Non-current assets	26,691,342	20,875,288
<b>Total assets</b>	<b>38,170,286</b>	<b>48,368,804</b>
Current liabilities		
Lease liabilities	1,283,356	1,127,366
Other current liabilities	8,601,333	9,395,711
Total current liabilities	9,884,689	10,523,077
Non-current liabilities		
Lease liabilities	5,289,296	5,933,810
Other non-current liabilities	7,217,047	5,893,848
Total non-current liabilities	12,506,343	11,827,658
<b>Total liabilities</b>	<b>22,391,032</b>	<b>22,350,735</b>
<b>Net assets</b>	<b>15,779,254</b>	<b>26,018,069</b>
	2025 \$	2024 \$
<b>Reconciliation to carrying amounts</b>		
Opening net assets	26,018,069	7,118,570
Additional capital contributed	70,297,020	65,041,084
(Loss) for the period	(81,843,279)	(45,538,193)
Other comprehensive income	1,307,444	(603,392)
<b>Closing net assets</b>	<b>15,779,254</b>	<b>26,018,069</b>
Company's share in %	51%	51%
Company's share in \$	8,047,420	13,269,215
<b>Carrying amount</b>	<b>8,047,420</b>	<b>13,269,215</b>

## Notes to the consolidated financial statements

### Note 15 Interests in other entities (continued)

Summarised statement of comprehensive income	2025 \$	2024 \$
Revenue	–	–
Interest income	639,239	662,477
Depreciation and amortisation	(3,694,106)	(1,934,794)
Interest expense	(497,473)	(474,605)
Income tax expense	–	–
<b>(Loss) from continuing operations</b>	<b>(81,843,279)</b>	<b>(45,538,193)</b>
<b>(Loss) for the period</b>	<b>(81,843,279)</b>	<b>(45,538,193)</b>
Other comprehensive income	1,307,444	(603,392)
<b>Total comprehensive income</b>	<b>(80,535,835)</b>	<b>(46,141,585)</b>

### Note 16 Commitments for expenditure and guarantees

The Company did not have any Capital expenditure contracted at the reporting date that was not recognised as a liability (2024: \$nil).

On 28 July 2023, GLE entered into a lease for a new facility in Wilmington, NC. A parent company guarantee was required to be provided by the Company and Cameco Corporation in relation to the rent and other lease related obligations associated with the premises tenanted by GLE. As at 30 June 2025, the Company's 51% share of the parent company guarantee was \$4,112,266 (2024: \$4,576,836). The guarantee will reduce over the term of the lease.

### Note 17 Events occurring after the reporting date

On 7 August 2025, Silex announced that it had completed a \$130m institutional placement (Placement) to support the commercialisation of the SILEX uranium enrichment technology in the US through exclusive licensee GLE, to pursue other isotope enrichment opportunities, to fund working capital, and for other general corporate purposes. Approximately 33.3 million new fully paid ordinary shares were issued at an offer price of \$3.90 on 14 August 2025.

In addition to the Placement, Silex announced a Share Purchase Plan (SPP), offering eligible shareholders the opportunity to acquire up to \$30,000 of new shares to raise up to \$15m (subject to Silex Board discretion to scale back applications and/or increase up to a maximum of \$20m). The SPP is currently scheduled to close on 29 August 2025.

The consolidated entity is not aware of any other matters or circumstances which are not otherwise dealt with in the financial statements that have significantly or may significantly, affect the operations of the consolidated entity, the results of its operations or the state of the consolidated entity in subsequent years other than those referred to in this report.

Notes to the consolidated financial statements

## Note 18 Related party transactions

### a. Subsidiaries

Interests in subsidiaries are set out in note 15(a).

### b. Key management personnel compensation

	2025 \$	2024 \$
Short-term employee benefits	1,695,842	1,488,692
Post-employment benefits	98,295	69,428
Long-term benefits	99,923	(3,558)
Share-based payments	589,777	827,373
	2,483,837	2,381,935

### c. Transactions with other related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
Contributions to superannuation funds on behalf of employees	605,932	440,948

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## Notes to the consolidated financial statements

### Note 19 Share-based payments

#### a. Silex Systems Limited Employee Incentive Plan

The Silex Systems Limited Employee Incentive Plan (the Plan) was established in May 2019 by a resolution of the Silex Board. Shareholder approval of the Plan was renewed at the 2022 Annual General Meeting. All full-time and part-time staff and executive directors of the consolidated entity are eligible to participate in the Plan. The Company established the Plan to encourage employees to share in the ownership of the Company and to promote the long-term success of the Company as a goal shared by all employees. In accordance with the Plan, an award of options, performance rights or exempt share awards may be granted.

Participation in the Plan is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits.

#### b. Options

Under the Plan, options issued were granted for no consideration. The options granted to staff are for a five-year period and become exercisable after three years of the date of the grant. The options granted to executive KMP in the year ended 30 June 2022 are with respect to multi-year performance periods that end between 25 June 2024 and 30 June 2027 for the CEO/MD, and between 30 June 2024 and 30 June 2026 for the CFO/Company Secretary. The options expire approximately two years following expiry of the various performance periods. The options lapse if the holder ceases to be an eligible employee other than by reason of death or permanent disablement, unless the Board determines otherwise in its absolute discretion. Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share. The exercise price of options is based on the volume weighted average price at which the Company's shares are traded on the Australian Stock Exchange for the 10-trading days before the options are granted or for the 10-trading days preceding a Board resolution to grant options. Amounts received on the exercise of options are recognised as share capital.

Set out below are summaries of options granted under the Plan including the options outstanding at the end of the year:

#### Consolidated and parent entity – 2025

Grant date	Expiry date	Exercise price (cents)	Balance at start of year (Number)	Issued during the year (Number)	Lapsed/ forfeited during the year (Number)	Exercised during the year (Number)	Balance at the end of the year (Number)	Exercisable at end of the year (Number)
01/04/2020	31/03/2025	21	148,000	–	(6,000)	(142,000)	–	–
23/11/2020	22/11/2025	57	150,000	–	–	(150,000)	–	–
24/03/2021	23/03/2026	120	515,750	–	–	(131,250)	384,500	384,500
26/07/2021	28/10/2026	94	100,000	–	–	(40,000)	60,000	60,000
26/07/2021	30/06/2027	94	100,000	–	–	–	100,000	100,000
26/07/2021	30/06/2028	94	100,000	–	–	–	100,000	–
14/10/2021	28/10/2026	94	150,000	–	–	(150,000)	–	–
14/10/2021	28/10/2026	94	150,000	–	–	(150,000)	–	–
14/10/2021	28/10/2027	94	150,000	–	–	–	150,000	150,000
14/10/2021	28/10/2028	94	150,000	–	–	–	150,000	–
14/10/2021	28/10/2029	94	150,000	–	–	–	150,000	–
18/03/2022	17/03/2027	119	600,000	–	(9,050)	(100,950)	490,000	490,000
17/04/2023	16/04/2028	377	650,000	–	–	–	650,000	–
23/04/2024	22/04/2029	500	650,000	–	–	–	650,000	–
			<b>3,763,750</b>	<b>–</b>	<b>(15,050)</b>	<b>(864,200)</b>	<b>2,884,500</b>	<b>1,184,500</b>
Weighted average exercise price			\$2.16	–	\$0.80	\$0.82	\$2.57	\$1.13

## Notes to the consolidated financial statements

### Note 19 Share-based payments (continued)

#### Consolidated and parent entity – 2024

Grant date	Expiry date	Exercise price (cents)	Balance at start of year (Number)	Issued during the year (Number)	Lapsed/ forfeited during the year (Number)	Exercised during the year (Number)	Balance at the end of the year (Number)	Exercisable at end of the year (Number)
21/05/2019	20/05/2024	35	120,000	–	–	(120,000)	–	–
01/04/2020	31/03/2025	21	227,000	–	–	(79,000)	148,000	148,000
23/11/2020	22/11/2025	57	150,000	–	–	–	150,000	150,000
24/03/2021	23/03/2026	120	1,000,000	–	(22,331)	(461,919)	515,750	515,750
26/07/2021	28/10/2026	94	100,000	–	–	–	100,000	100,000
26/07/2021	30/06/2027	94	100,000	–	–	–	100,000	–
26/07/2021	30/06/2028	94	100,000	–	–	–	100,000	–
14/10/2021	28/10/2026	94	150,000	–	–	–	150,000	150,000
14/10/2021	28/10/2026	94	150,000	–	–	–	150,000	150,000
14/10/2021	28/10/2027	94	150,000	–	–	–	150,000	–
14/10/2021	28/10/2028	94	150,000	–	–	–	150,000	–
14/10/2021	28/10/2029	94	150,000	–	–	–	150,000	–
18/03/2022	17/03/2027	119	600,000	–	–	–	600,000	–
17/04/2023	16/04/2028	377	650,000	–	–	–	650,000	–
23/04/2024	22/04/2029	500	–	650,000	–	–	650,000	–
			<b>3,797,000</b>	<b>650,000</b>	<b>(22,331)</b>	<b>(660,919)</b>	<b>3,763,750</b>	<b>1,213,750</b>
Weighted average exercise price			\$1.46	\$5.00	\$1.20	\$0.93	\$2.16	\$0.92

The market price of shares under option at 30 June 2025 was \$4.22 (2024: \$5.33). The weighted average remaining contractual life of share options outstanding at the end of the period was 2.6 years (2024: 3.2 years).

#### Fair value of options granted

No options were granted under the Plan during the year ended 30 June 2025. The assessed fair value at grant date of options granted during the year ended 30 June 2024 was determined using a Binomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the options.

The assessed fair value of options at grant date and the model inputs for options issued in the prior year included the following:

Fair value (cents)	Grant date	Vesting date	Exercise Price (cents)	Expiry date	Share price at grant date (cents)	Expected volatility %	Expected dividend yield %	Risk-free interest rate %	Days to expiration
248.47	23/04/2024	23/04/2027	500	22/04/2029	483	72	–	3.92	1,280

The expected price volatility is based on the historical volatility adjusted for any expected changes to future volatility due to publicly available information.



## Notes to the consolidated financial statements

### Note 19 Share-based payments (continued)

#### c. Performance Rights

The rights issued under the Plan were subject to performance-based and service-based vesting conditions. Rights convert into one ordinary share each on vesting at an exercise price of \$nil, subject to the satisfaction of vesting conditions. If an employee ceases to be employed by the Company during the vesting period, the rights will be forfeited, except in limited circumstances that are at the discretion of the Board.

Set out below is a summary of Performance Rights granted under the Plan:

#### Consolidated and parent entity – 2025

Grant date	Exercise Price	Balance at start of year (Number)	Issued during the year (Number)	Lapsed/ forfeited during the year (Number)	Exercised during the year (Number)	Balance at end of year (Number)
14/10/2021	nil	412,500	–	–	–	412,500
21/06/2022	nil	225,000	–	–	(75,000)	150,000
21/08/2023	nil	185,000	–	(10,275)	(174,725)	–
29/09/2023	nil	300,000	–	(52,702)	(116,298)	131,000
26/08/2024	nil	–	175,000	–	–	175,000
18/10/2024	nil	–	325,000	–	–	325,000
17/12/2024	nil	–	70,000	–	–	70,000
		<b>1,122,500</b>	<b>570,000</b>	<b>(62,977)</b>	<b>(366,023)</b>	<b>1,263,500</b>

#### Consolidated and parent entity – 2024

Grant date	Exercise Price	Balance at start of year (Number)	Issued during the year (Number)	Lapsed/ forfeited during the year (Number)	Exercised during the year (Number)	Balance at end of year (Number)
14/10/2021	nil	412,500	–	–	–	412,500
21/06/2022	nil	300,000	–	–	(75,000)	225,000
26/08/2022	nil	200,000	–	(36,163)	(163,837)	–
30/08/2022	nil	145,000	–	(11,512)	(133,488)	–
21/11/2022	nil	25,000	–	(2,187)	(22,813)	–
21/08/2023	nil	–	185,000	–	–	185,000
29/09/2023	nil	–	300,000	–	–	300,000
		<b>1,082,500</b>	<b>485,000</b>	<b>(49,862)</b>	<b>(395,138)</b>	<b>1,122,500</b>

The model inputs for the rights granted during the year ended 30 June 2025 (with the 26 August 2024 issue listed first, the 18 October 2024 second and the 17 December 2024 third – unless advised otherwise) included the following, and for those rights that had market conditions, additional inputs were applied to the Monte Carlo simulation that was used to value these rights:

- Rights granted for no consideration
- Exercise price: \$nil
- Grant date: 26 August 2024, 18 October 2024 and 17 December 2024 (2024: 21 August 2023 and 29 September 2023)
- Vesting date: 31 July 2025, 31 July 2025, and for the third issue 1 July 2026 and 30 June 2027 (2024: 31 July 2024 and 30 September 2025)
- Share price at grant date: \$4.42, \$5.06 and \$5.16 (2024: \$3.26 and \$3.50)
- Expected dividend yield: nil for all issues in the current and prior year

## Notes to the consolidated financial statements

### Note 19 **Share-based payments** (continued)

The fair value of rights granted on 26 August 2024 that did not have market conditions was \$3.713, the fair value of rights granted on 18 October 2024 was \$4.655, and the fair value of rights granted on 17 December 2024 that did not have market conditions was \$4.076. A 16% discount for lack of marketability was applied to the rights granted on 26 August 2024 and a 21% discount for lack of marketability was applied to the rights granted on 17 December 2024 as the rights have a 2-year restriction on trading following conversion of vested rights to ordinary shares. An 8% discount for lack of marketability was applied to the rights granted on 18 October 2024 as the rights have a 1-year restriction on trading following conversion of the vested rights to ordinary shares.

Some of the rights granted on 26 August 2024 had market conditions and a Monte Carlo simulation approach was used to value these rights. Additional inputs included: expected volatility of 52%; a risk-free rate of 3.57%; and a discount for lack of marketability of 16%. The fair value of rights granted on 26 August 2024 that have market conditions was \$1.211. The fair values were estimated taking the market price of the Company's shares on the grant date and noting that no dividends were expected to be received during the vesting period.

For the rights granted on 17 December 2024 that had market conditions, a Monte Carlo simulation approach was used to value these rights. Additional inputs included: expected volatility of 66%; a risk-free rate of 3.85%; and a discount for lack of marketability of 21%. The fair value of rights granted on 17 December 2024 that have market conditions was \$2.878. The fair values were estimated taking the market price of the Company's shares on the grant date and noting that no dividends were expected to be received during the vesting period.

With respect to rights issued in the prior year, the fair value of rights granted on 21 August 2023 that did not have market conditions was \$2.673, and the fair value of rights granted on 29 September 2023 was \$3.185. An 18% discount for lack of marketability was applied to the rights granted on 21 August 2023, as the rights have a 2-year restriction on trading following conversion of vested rights to ordinary shares. A 9% discount for lack of marketability was applied to the rights granted on 29 September 2023 as the rights have a 1-year restriction on trading following conversion of the vested rights to ordinary shares. During the current year, some of the rights granted on 29 September 2023 had the vesting date extended to 30 September 2025.

Some of the rights granted on 21 August 2023 had market conditions and a Monte Carlo simulation approach was used to value these rights. Additional inputs included: expected volatility of 60%; a risk-free rate of 4.0%; and a discount for lack of marketability of 18%. The fair value of rights granted on 21 August 2023 that have market conditions was \$1.193. The fair values were estimated taking the market price of the Company's shares on the grant date and noting that no dividends were expected to be received during the vesting period.

With respect to the fair value of the 300,000 Extended LTI rights that were granted to the CFO/Company Secretary on 21 June 2022, a Monte Carlo simulation approach was used to value the rights. 300,000 rights with market conditions (i.e., 4 tranches of 75,000 rights with vesting dates of 30 June 2023, 30 June 2024, 30 June 2025 and 30 June 2026) were granted to the CFO/Company Secretary for no consideration and have an exercise price of \$nil. Additional inputs include: share price at grant date of \$1.865; expected volatility of 75%; and expected risk-free interest rates between 2.87% and 3.69%. A 22.5% discount for lack of marketability was applied. The fair value has been calculated at \$0.742, \$0.808, \$0.809 and \$0.835.

#### **d. Shares granted to the Chair (as approved at the 2021 AGM)**

The Silex Chair also served as the Chair of the GLE Holdco Governing Board until 31 December 2023. In view of the additional work load and responsibility associated with the role of GLE Chair, it was resolved to pay additional directors' fees from 1 January 2021 until 31 December 2023. As per shareholder approval granted at the 2021 AGM, 50% of the annual fees for the 3-year tenure were paid via the issue of Silex shares. 84,507 shares at the 10-trading day volume weighted average price at which the Company's shares traded on the Australian Stock Exchange preceding 17 December 2020, being \$0.71, were issued on 8 November 2021. A proportion of the shares vested annually in line with the completion of each year of service through to 31 December 2023. 28,169 shares vested on 31 December 2021, a further 28,169 shares vested on 31 December 2022, and the final 28,169 shares vested on 31 December 2023. The assessed fair value of the shares was based on the share price on 8 November 2021 of \$1.335.

## Notes to the consolidated financial statements

### Note 19 Share-based payments (continued)

#### e. Options issued to consultants

At 30 June 2025, a total of 175,000 options were on issue to a consultant of the Company.

75,000 options were granted to a consultant on 5 December 2024. The assessed fair value at grant date of 310.92 cents was determined using a Binomial option pricing model. Inputs included: an exercise price of 450 cents; share price at grant date of 607 cents; volatility of 72%; a risk-free interest rate of 3.86%; and 730 days to expiration. 25,000 options were exercisable at 30 June 2025. No options were exercised during the year and therefore the balance of options as at 30 June 2025 was 75,000.

In the prior year, 50,000 options were granted to a consultant on 19 December 2023. The assessed fair value at grant date of 178.14 cents was determined using a Binomial option pricing model. Inputs included: an exercise price of 347 cents; share price at grant date of 419 cents; volatility of 60%; a risk-free interest rate of 3.87%; and 730 days to expiration. 50,000 options were exercisable at 30 June 2025. No options were exercised during the year and therefore the balance of options as at 30 June 2025 was 50,000.

During the year ended 30 June 2023, 50,000 options were granted to a consultant on 25 August 2022. No options were exercised during the year and therefore the balance of options as at 30 June 2025 was 50,000.

#### f. Expenses arising from share-based transactions

Total expenses arising from share-based payment transactions recognised during the period as part of remuneration expense were as follows:

	2025 \$	2024 \$
Options granted and to be granted	1,317,693	1,076,788
Performance rights granted and to be granted	1,380,386	1,302,229
Shares granted in lieu of directors' fees	–	18,803
	2,698,079	2,397,820

### Note 20 Remunerations of auditors

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as auditor of the parent entity, Silex Systems Limited, its related practices and non-audit firms:

	2025 \$	2024 \$
<b>Auditors of the Company – PwC</b>		
Audit and review of financial reports		
Company	118,750	113,420
Total remuneration for audit and assurance services	118,750	113,420
<b>Other services</b>		
Consulting services	22,500	62,500
<b>Total services provided by PwC</b>	<b>141,250</b>	<b>175,920</b>

## Notes to the consolidated financial statements

### Note 21 Earnings per share

#### a. Basic earnings per share

	2025 Cents	2024 Cents
Total basic earnings per share attributable to the ordinary equity holders of the Company	(17.9)	(9.6)

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

#### b. Diluted earnings per share

	2025 Cents	2024 Cents
Total diluted earnings per share attributable to the ordinary equity holders of the Company	(17.9)	(9.6)

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### c. Reconciliation of earnings used in calculating earnings per share

	2025 \$	2024 \$
<b>Basic earnings per share</b>		
(Loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	(42,557,236)	(22,734,108)
	2025 \$	2024 \$
<b>Diluted earnings per share</b>		
(Loss) attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	(42,557,236)	(22,734,108)

#### d. Weighted average number of shares used in the denominator

	2025 (Number)	2024 (Number)
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	237,492,255	236,105,418
Weighted average number of ordinary shares on issue used in the calculation of diluted earnings per share	237,492,255	236,105,418

#### e. Information concerning the classification of securities

Options and performance rights granted in the current and prior years were not included in the calculation of diluted earnings per share as they are anti-dilutive for the year ended 30 June 2025. The options and performance rights could potentially dilute basic earnings per share in the future.

Further information about options and performance rights is included in note 19.

## Notes to the consolidated financial statements

### Note 22 Parent entity financial information

#### a. Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2025 \$	2024 \$
<b>Balance Sheet</b>		
Current assets	84,825,934	119,805,033
Total assets	86,036,671	121,322,550
Current liabilities	7,171,323	8,578,499
Total liabilities	7,909,636	9,577,685
<b>Net assets</b>	<b>78,127,035</b>	<b>111,744,865</b>
<b>Shareholders' equity</b>		
Issued capital	392,701,992	390,665,622
Reserves		
Share based payments	19,364,706	18,005,220
Accumulated losses	(333,939,663)	(296,925,977)
<b>Total equity</b>	<b>78,127,035</b>	<b>111,744,865</b>
<b>Net (loss) for the period</b>	<b>(37,013,686)</b>	<b>(33,036,481)</b>
<b>Total comprehensive income</b>	<b>(37,013,686)</b>	<b>(33,046,481)</b>

The Net (loss) for the period above differs from the segment result disclosed in note 2 as the segment result excludes exchange gains and losses on intercompany loans (which eliminate on consolidation), write-downs of intercompany loans (which eliminate on consolidation) and impairment charges for investments in subsidiaries (which eliminate on consolidation).

#### b. Guarantees entered into by the parent company

Refer to note 15(b) for detail of parent company guarantee.

#### c. Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2025 (and 30 June 2024), the parent entity did not have any contractual commitments for the acquisition of property, plant or equipment.

#### d. Basis of preparation

This parent entity financial information has been prepared on the same basis as the consolidated financial statements except as set out below:

##### *Investments in subsidiaries, associates and joint venture entities*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Silex Systems Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

## Notes to the consolidated financial statements

### Note 23 Summary of other potentially material accounting policies

This note provides a list of the other potentially material accounting policies adopted in the preparation of these consolidated financial statements to the extent that they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Silex Systems Limited and its subsidiaries.

#### a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Silex Systems Limited is a for-profit entity for the purposes of preparing the financial statements.

#### i. Compliance with IFRS

The consolidated financial statements of the Silex Systems Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### ii. Historical cost convention

These financial statements have been prepared on a historical cost basis, except for Financial assets at fair value through other comprehensive income and Financial assets at fair value through profit or loss which are both measured at fair value.

#### iii. New and amended standards adopted by the Company

The Company has applied the following standard and amendment for the first time for its annual reporting period commencing 1 July 2024:

- AASB 2020–1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (AASB 101)*

The amendment did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### iv. New standards and interpretations not yet adopted by the Company

Certain amendments to accounting standards have been published that are not mandatory for 30 June 2025 reporting periods and have not been adopted early by the Company. The Company's assessment of the impact of these new standards and amendments is set out below:

- AASB 18 *Presentation and Disclosure in Financial Statements* (effective for annual periods beginning on or after 1 January 2027)

AASB 18 will replace AASB 101 *Presentation of financial statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though AASB 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Company's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of AASB 18 will have no impact on the Company's net profit or loss, the Company expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.
- The Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirements to disclose material information remains unchanged. However, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles.
- For the cash flow statement, interest received will be presented as investing cash flows and interest paid will be presented as financing cash flows. This is a change from the current presentation as part of operating cash flows.

The Company will apply the new standard from its mandatory effective date. Retrospective application is required, and the comparative information for the year ended 30 June 2027 will be restated in accordance with AASB 18.



## Notes to the consolidated financial statements

### b. Principles of consolidation and equity accounting

#### i. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Silex Systems Limited (the parent entity) as at 30 June 2025 and the results of all subsidiaries for the year then ended. Silex Systems Limited and its subsidiaries together are referred to in this financial report as the Company, Silex, the consolidated entity or the group.

Subsidiaries are all those entities over which the Company has control, being the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Company.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

#### ii. Joint arrangements

Under AASB 11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

The Company's investment in GLE Holdco is a joint venture. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

#### iii. Equity method of accounting for joint ventures

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in Other comprehensive income of the investee in Other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 23(g).

#### iv. Changes in ownership interests

The Company treats transactions with non-controlling interests that do not result in a loss of control, as transactions with equity owners of the Company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Silex Systems Limited.

When the Company ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other comprehensive income are reclassified to profit or loss where appropriate.

### c. Foreign currency translation

#### i. Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is Silex Systems Limited's functional and presentation currency.

#### ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

## Notes to the consolidated financial statements

### iii. Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in Other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings, are recognised in Other comprehensive income. The Company's funding of its investment in its subsidiaries has been deemed part of its net investment. When a foreign operation is sold or borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the consolidated income statement as part of the gain or loss on sale.

### d. Revenue recognition

The accounting policies for the Company's revenue from contracts with customers are explained in note 3.

### e. Government grants and Research and development tax incentive income

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Note 4 provides further information on how the Company accounts for government grants. Research and development tax incentive income is based on eligible activities in the period.

### f. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, which at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### g. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### h. Investments and other financial assets

#### i. Classification

The Company classifies its financial assets in the following categories:

- those to be measured subsequently at fair value (either through Other comprehensive income (OCI) or through profit or loss); and
- those to be at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### ii. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

## Notes to the consolidated financial statements

### iii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at fair value through profit or loss are expensed in profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- a. **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest revenue from these financial assets is included in revenue using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- b. **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.
- c. **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

#### Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's Management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### iv. Impairment

The Company assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer note 13(c) for further details.

#### i. Measurement and fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

#### j. Employee benefits

##### i. Wages and salaries, annual leave and personal leave

Liabilities for wages and salaries, including non monetary benefits and annual leave are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating personal leave are recognised when the leave is taken and measured at the rates paid or payable.

##### ii. Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## Notes to the consolidated financial statements

### iii. Retirement benefit obligations

Employees of the Company are entitled to benefits on retirement, disability or death from the Company's defined contribution retirement plans. The fund receives fixed contributions from the Company and the Company's legal or constructive obligation is limited to these contributions. Contributions to the defined contribution fund are recognised as an expense as they become payable.

### iv. Share based payments

Share based compensation benefits have been provided to employees via the Silex Systems Limited Employee Incentive Plan (the Plan) which was established in May 2019. Information relating to the Plan is set out in note 19.

#### Options

The fair value of options granted under the Plan are recognised as an employee benefit expense with a corresponding increase in equity in the share-based payments reserve. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is determined using a Binomial option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non market vesting conditions. Non market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Company revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the relevant balance of the share based payments reserve is transferred to share capital.

#### Performance Rights

Performance Rights granted under the Plan are a right to acquire fully paid ordinary shares in the Company for \$nil consideration, subject to meeting certain pre-determined key performance indicators and vesting conditions. These may be used as a short-term or long-term incentive vehicle. For Performance Rights with non-market vesting conditions, the estimated number of rights that will vest are revised at the end of each reporting period and adjustments are recognised in profit or loss and the share-based payments reserve. For Performance Rights with market vesting conditions, the fair value at grant date is calculated using a Monte Carlo simulation and recognised in profit or loss. No adjustment is made for the estimated number of rights that will vest at each reporting date as this has already been factored into the grant date fair value of the rights.

The fair value is recognised over the relevant service period.

### Shares in lieu of cash for directors' fees

Shares may be granted to directors in lieu of cash for services performed (subject to shareholder approval). The fair value of the shares is calculated on the grant date. The expense is recognised in the profit or loss over the service period to which the issue of shares relates. The amount relating to future periods (unearned amount) is included in Trade and other receivables.

### v. Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy.

### k. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flow.

### l. Research and development costs

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the consolidated income statement as an expense when it is incurred.

Costs incurred on development projects relating to the design and testing of new or improved products are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technical feasibility and its costs can be measured reliably. Other expenditure that does not meet this expenditure criteria are recognised as an expense as incurred. Given the stage of development of the Company's technologies, Research and development costs are currently expensed as incurred.

### m. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Consolidated entity disclosure statement

As at 30 June 2025

Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Place of incorporation	Australian resident	Foreign jurisdiction
Silex Systems Limited	Body corporate	–	n/a	Australia	Yes	n/a
Translucent Inc	Body corporate	–	100%	US	Yes	US
Silex USA LLC*	Body corporate	–	100%	US	Yes	n/a

\* Silex USA LLC is 100% owned by Translucent Inc and is treated as a disregarded entity for US Federal tax purposes. Therefore, its taxable income and expenses are reflected in Translucent Inc's tax return.

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## Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 45 to 85 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) the consolidated entity disclosure statement on page 86 is true and correct.

Note 23(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



**Michael Goldsworthy**  
CEO/Managing Director

27 August 2025



**Craig Roy**  
Chair

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## Independent auditor's report

To the members of Silex Systems Limited

### Report on the audit of the financial report

#### Our opinion

In our opinion:

The accompanying financial report of Silex Systems Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### What we have audited

The financial report comprises:

- the consolidated balance sheet as at 30 June 2025
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated income statement for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2025
- the directors' declaration.

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## Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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## Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

## Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

The Group's operational and financial processes are managed by a corporate function in Sydney, where all of our audit procedures are performed.



## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	How our audit addressed the key audit matter
<p><b>Recoverable project costs</b></p> <p><i>Refer to note 3</i></p> <p>Costs incurred by Silex Systems Limited in relation to the Uranium Enrichment Project (“UEP”) are recharged to Global Laser Enrichment LLC (“GLE”).</p> <p>We considered this matter a key audit matter due to the magnitude of the revenue, and the judgemental nature of determining which expenses can be recharged.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• considering the Group’s accounting policy in line with the Australian Accounting Standards</li> <li>• developing an understanding and, evaluating the design and implementation of key controls over the revenue to receivables business process;</li> <li>• for a sample of revenue transactions, obtaining source documents, evidencing cash receipts, assessing that the costs incurred were recognised in the right period and eligible to be recharged;</li> <li>• assessing reasonableness of the related financial statement disclosures in light of the requirements of Australian Accounting Standards</li> </ul>
<p><b>Investment accounted for using the equity method</b></p> <p><i>Refer to note 15b</i></p> <p>Silex Systems Limited holds a 51% equity interest in Global Laser Enrichment Holdings LLC (GLEH). The share of net loss of GLEH is recognised within the Group’s consolidated income statement and the carrying value of investment in GLEH is recognised within the consolidated balance sheet.</p> <p>We considered this matter a key audit matter due to the financial significance of GLEH to the Group’s financial report.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• agreeing the loss incurred for GLEH to underlying financial records</li> <li>• agreeing capital contributions to bank statements</li> <li>• assessing the recoverability of the carrying value of the GLEH investment</li> <li>• testing the mathematical accuracy of the Group’s share in GLEH and the share of net loss recognised</li> <li>• assessing reasonableness of the related financial statement disclosures in light of the requirements of Australian Accounting Standards</li> </ul>



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## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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## Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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## Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if



individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf). This description forms part of our auditor's report.

## Report on the remuneration report

### Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2025.

In our opinion, the remuneration report of Silex Systems Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Aishwarya Chandran'.

Aishwarya Chandran  
Partner

Sydney  
27 August 2025

## Shareholder Information

The shareholder information set out below was applicable as at 14 August 2025.

### a. Distribution of equity securities

Holding	Class of equity security: Ordinary					
	Shares		Options		Performance rights	
	No. of holders	% of shares	No. of holders	% of options	No. of holders	% of rights
1 – 1,000	3,363	0.56%	–	–	–	–
1,001 – 5,000	3,122	3.01%	1	0.16%	11	2.71%
5,001 – 10,000	923	2.60%	–	–	14	10.16%
10,001 – 100,000	1,161	12.61%	31	45.25%	11	27.19%
100,001 and over	223	81.22%	8	54.58%	2	59.95%
<b>Total number of holders</b>	<b>8,792</b>	<b>100.00%</b>	<b>40</b>	<b>100.00%</b>	<b>38</b>	<b>100.00%</b>

There were 630 holders of less than a marketable parcel of ordinary shares.

### b. Names of twenty largest quoted equity security holders as at 14 August 2025

Name	Number of securities	Percentage held
HSBC Custody Nominees (Australia) Limited	31,616,975	11.65%
Jardvan Pty Ltd	29,801,030	10.98%
Citicorp Nominees Pty Limited	20,484,624	7.55%
JP Morgan Nominees Australia Pty Limited	11,989,627	4.42%
Pure Gold Pty Ltd	7,900,000	2.91%
Majenta Holdings Pty Ltd	5,703,923	2.10%
BNP Paribas Nominees Pty Ltd <IB AU Noms RetailClient>	5,459,478	2.01%
HSBC Custody Nominees (Australia) Limited <GSCO Customers A/C>	5,106,123	1.88%
Hillboi Nominees Pty Ltd	4,473,094	1.65%
HSBC Custody Nominees (Australia) Limited – A/C 2	3,436,965	1.27%
Spar Nominees Pty Ltd	3,127,365	1.15%
Throvena Pty Ltd	2,978,203	1.10%
BNP Paribas Noms Pty Ltd	2,752,641	1.01%
BNP Paribas Nominees Pty Ltd Barclays	2,450,048	0.90%
Mr Christopher David Wilks	2,405,070	0.89%
Warbont Nominees Pty Ltd	2,112,738	0.78%
UBS Nominees Pty Ltd	2,078,703	0.77%
Washington H Soul Pattinson and Company Limited	2,051,283	0.76%
HSBC Custody Nominees (Australia) Limited–GSCO ECA	1,864,560	0.69%
BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	1,862,695	0.69%
	<b>149,655,145</b>	<b>55.13%</b>



## Shareholder Information

### c. Substantial holders

Name	Number of securities	Percentage held
Jardvan Pty Ltd	29,801,030	10.98%
State Street Corporation	24,558,156	9.05%
Van Eck Associates Corporation	15,277,089	5.63%

### d. Voting rights

The voting rights attaching to each class of equity securities are set out below:

- Ordinary shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- Options: No voting rights.
- Performance rights: No voting rights.

### e. Securities subject to voluntary escrow as at 14 August 2025

As at 14 August 2025, shares subject to voluntary escrow were as follows:

Number of shares	Escrow period ends
231,301	22/08/2025
116,298	04/09/2025
395,507	28/02/2026
35,000	23/04/2026
10,000	20/05/2026
249,725	04/09/2026
40,000	16/12/2026
450,000	04/03/2027

### f. Unquoted equity securities as at 14 August 2025

As at 14 August 2025, unquoted equity securities were as follows:

	Number on issue	Number of holders
Options issued under the Silex Systems Limited Employee Incentive Plan	2,884,500	39
Performance rights issued under the Silex Systems Limited Employee Incentive Plan	1,263,500	38
Options issued to Hyde Park Partners	175,000	1

## Corporate Directory

### Directors

Mr C A Roy	Chair
Dr M P Goldsworthy	CEO/MD
Ms S J Corlett	
Mr C D Wilks	
Ms J E Russell	Company Secretary

### Audit and Risk Committee

Ms S J Corlett	Chair
Mr C D Wilks	
Mr C A Roy	
Ms J E Russell	Committee Secretary

### Remuneration and Nomination Committee

Mr C A Roy	Chair
Ms S J Corlett	
Mr C D Wilks	
Ms J E Russell	Committee Secretary

### Registered Office and Principal Place of Business

Building 64  
Lucas Heights Science & Technology Centre  
New Illawarra Road  
Lucas Heights NSW 2234  
Australia

### Postal address

PO Box 75  
Menai Central NSW 2234  
Australia

Phone: +61 2 9704 8888  
Fax: +61 2 9704 8851

Email: [investor.relations@silex.com.au](mailto:investor.relations@silex.com.au)  
Website: [www.silex.com.au](http://www.silex.com.au)

### Share Registry

Computershare Registry Services  
Pty Limited  
Level 5, 115 Grenfell Street  
Adelaide SA 5000  
Australia

GPO Box 1903  
Adelaide SA 5001  
Australia

### Enquiries

Phone: 1300 556 161 (within Australia)  
+61 8 8236 2300 (outside Australia)

Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)  
Website: [www.computershare.com.au](http://www.computershare.com.au)

### Stock Exchange

Listed on the Australian Stock Exchange,  
Ticker: SLX  
Listed on the OTCQX International,  
Ticker: SILXY

### American Depositary Receipts (ADR) Information

Silex Systems Limited's ADRs may  
be purchased on the US OTCQX market.  
Details are as follows:

Ratio:	1 ADR = 5 ordinary shares
Symbol:	SILXY
CUSIP:	827046 10 3 9414F102
Exchange:	OTCQX
Country:	Australia

### Auditors

PricewaterhouseCoopers

### Solicitors

Dentons Australia Limited

### Bankers

Australia and New Zealand Banking Group Limited

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