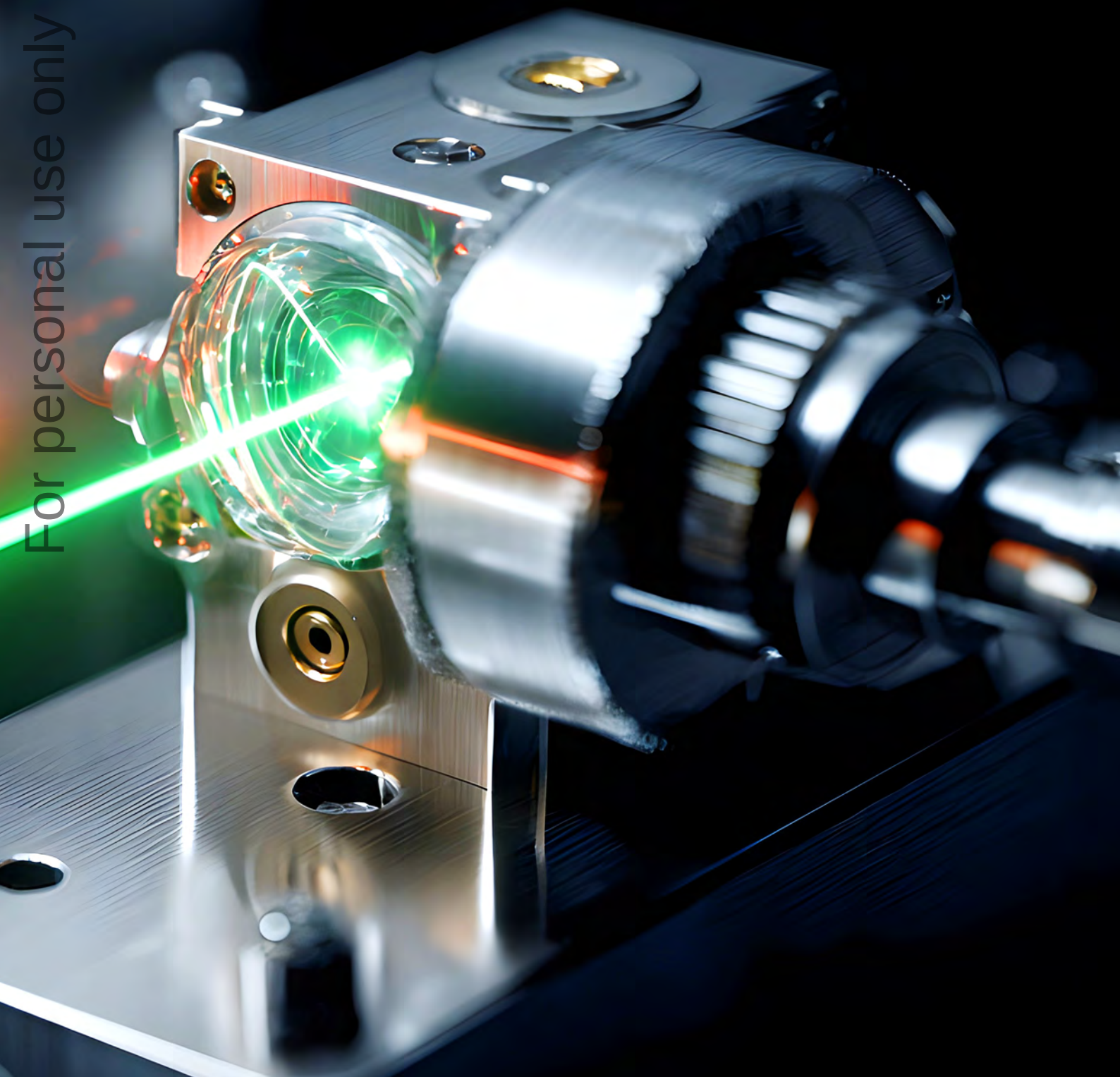
Silex

Annual Report 2026



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Important Notice

About Silex Systems Limited (ASX: SLX) (OTCQX: SILXY)
Silex Systems Limited ABN 69 003 372 067 (**Silex** or the **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 51% owned 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 SILEX technology maturation 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 is also conducting early-stage research activities in its Stable Isotope Project (**SIP**), which focuses on additional enriched isotopes required for semiconductor and medical applications and is also subject to various risks and outcomes. The commercial future of the SILEX technology in application to uranium, silicon, stable, 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, stable and other isotope separation projects, and any associated commercial prospects, including technology maturation activities 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, the war between Iran and the US 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 technology maturation 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 SIP Project; the potential development of, or competition from, alternative technologies; the regulatory changes and uncertainties related to various US Government funding initiatives, 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.

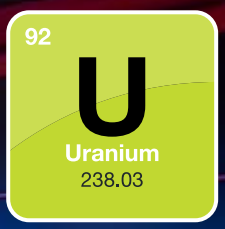
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Silex Systems Limited (Silex) is an Australian technology company focused on the commercialisation of its innovative SILEX laser-based enrichment technology for application to three key global markets:



Uranium production and enrichment
(nuclear power)



Silicon enrichment
(silicon quantum computing)



Stable isotope enrichment
(including medical isotope enrichment)

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

Highlights and Progress

The SILEX Laser Uranium Enrichment Technology



Silex's principal focus is on the commercialisation of our unique, third-generation SILEX laser-based uranium enrichment technology for nuclear fuel production, in conjunction with 51% owned and US-based Global Laser Enrichment (GLE) who holds an exclusive licence for the SILEX technology. Global nuclear company Cameco owns the 49% remaining interest in GLE.

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Validation of the SILEX enrichment technology at TRL-6
In October 2025, Silex and GLE announced the conclusion of an independent, third-party validation of the SILEX enrichment technology, conducted by a leading Fortune 1000 technology provider, confirming that the technology had achieved the pivotal TRL-6[1] maturity level involving a large-scale (pilot plant) demonstration program at GLE's Wilmington, NC, Test Loop facility.

Milestone payment
The TRL-6 achievement triggered a US$5 million milestone payment from GLE to Silex, which was received in December 2025.

The PLEF
Having achieved the significant TRL-6 milestone, the current focus is on design and demonstration of full-scale commercial production technology and manufacturing maturation programs (TRL-7/MRL-7)[2], as well as preliminary detailed design for the first commercial plant – the Paducah Laser Enrichment Facility (PLEF).

GLE's Commercialisation plan
GLE's commercialisation plan is based on deploying the SILEX technology to re-enrich US Department of Energy (DOE) legacy inventories of high-grade depleted uranium tails to produce natural grade uranium (as UF_6) at its planned PLEF, in Paducah, KY, with the aim of commencing commercial operations by 2030.

Under a contract signed in 2016 with the DOE, GLE has exclusive access to over 200,000 metric tonnes of tails inventories, which will provide around 30 years of feedstock to produce the natural grade UF_6 at an annual output rate equivalent to a uranium mine producing up to 5 million pounds of uranium, as well as 2 million kilograms of conversion annually.

PLEF – NRC licence application
GLE's application for a licence to construct and operate the PLEF was accepted by the US Nuclear Regulatory Commission (NRC) for review in August 2025, with the NRC publishing its draft environmental impact study for the plant in March 2026. GLE continues to work with the NRC to secure the PLEF licence, with the process expected to be completed in early CY2027.

PLEF – feasibility study
GLE and its owners continue work to define the scope and requirements for a PLEF feasibility study and to detail the criteria for a Final Investment Decision (FID) for the world's first commercial laser-based uranium enrichment plant.

US funding
In January 2026, DOE notified GLE that it had been selected for a funding award of US$28.5 million to advance next-generation laser-based uranium enrichment technology.

In March 2026, GLE received preliminary approval for a comprehensive package of incentives from the Commonwealth of Kentucky and McCracken County to support the development of the PLEF, which is expected to be the single largest capital investment in Western Kentucky's history.

The performance-based incentives package will provide up to US$98.9 million in tax and other economic incentives subject to GLE reaching agreed investment and job creation thresholds.

1. Technology Readiness Level 6 (TRL-6), as defined by *DOE Technology Readiness Assessment Guide (G 413.3-4A)*
2. MRL: Manufacturing Readiness Level (DOD Guide at dodmrl.com/MRL_Definitions_2010.pdf)

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Quantum Silicon (Q-Si) Technology

Construction of the first full-scale Q-Si Production Plant was completed during the year at the Company's Sydney facility, with functional integration and commissioning now advancing.

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Q-Si commercialisation
Enriched silicon-28 in the form of high-purity Q-Si is required for next-generation silicon-based quantum computers. With sample production expected to commence in Q1 CY2027, commercial engagement with potential customers continues to increase.

Other Highlights

Capital raising and Share Purchase Plan
A $130 million institutional placement equity raising was successfully completed on 7 August 2025, followed by the completion of a Share Purchase Plan (SPP) on 29 August 2025, with eligible applications received totalling ~$19.4 million.

Cash and term deposits
The Company held cash and term deposits at 30 June 2026 of ~$180.7 million, with no corporate debt.



Q-Si Production Plant

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 by ensuring environmental responsibility in everything we do.

We are focused on safely 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:



Health, safety, and wellbeing
At the core of our ESG commitment is the health, safety, and wellbeing of our people, as well as the safety of our operations and the communities in which we operate. We proactively 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.



Environmental responsibility
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:

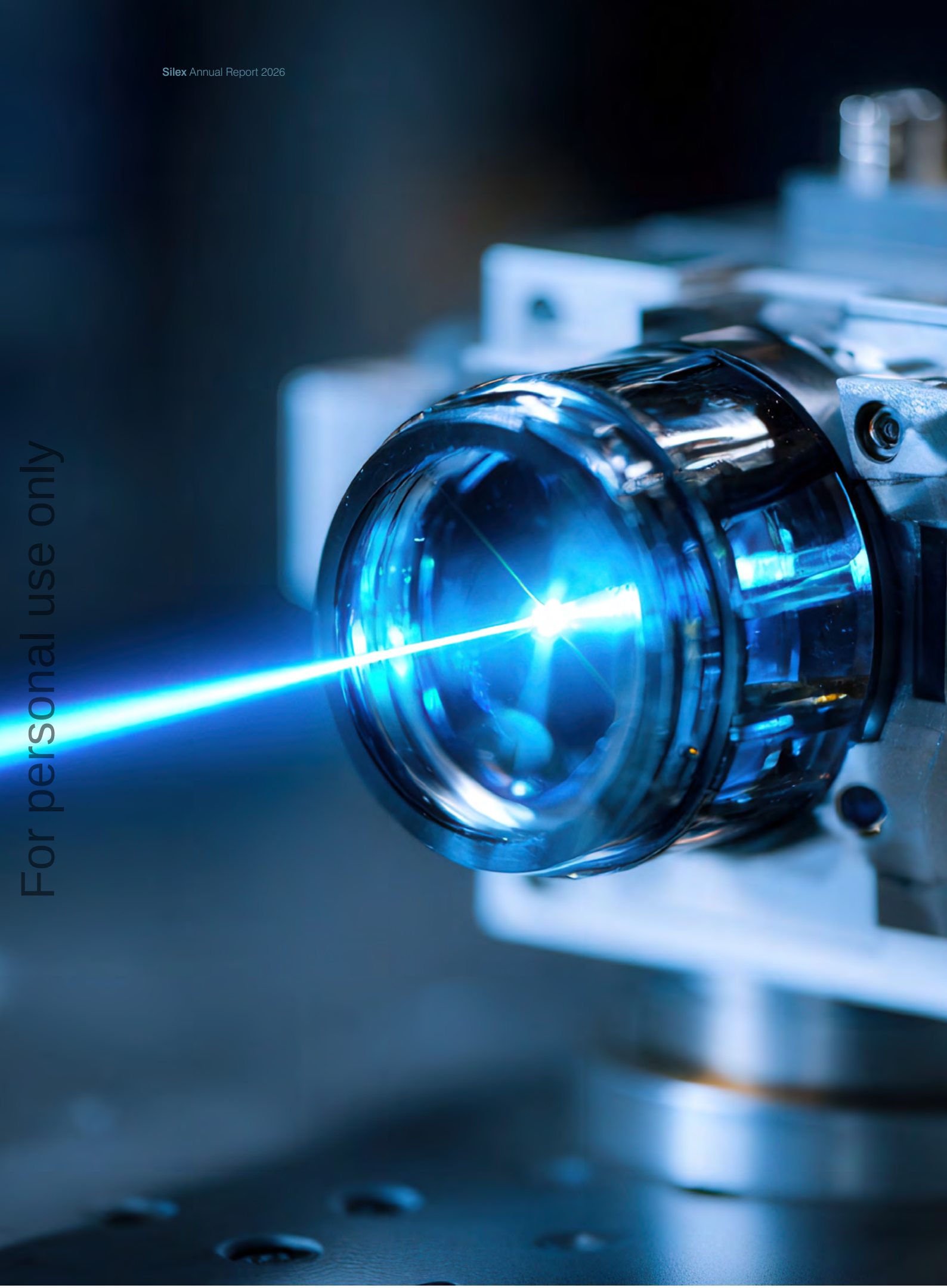
- improving efficiencies and reliability in nuclear fuel production for the generation of zero-emissions electricity from nuclear power and contributing to climate change mitigation efforts;
- developing sovereign capability for the production of isotopically enriched materials that are key to enabling next-generation quantum computing and other advanced technologies, including nuclear medicine cancer therapies, potentially providing disruptive tools to help address global-scale health, social, and environmental 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.

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Chair's and CEO's Report

Dear Fellow Shareholders,
The year ended 30 June 2026 marked an important year for Silex as we advanced our SILEX uranium enrichment technology through Technology Readiness Level 6 (TRL-6) – successfully demonstrated at large-scale pilot plant level with full independent validation. This milestone is a pivotal achievement and represents a key technology de-risking event as our joint venture with Cameco – Global Laser Enrichment (GLE) – progresses the SILEX technology towards commercialisation in the US at a time of resurgence in the global nuclear power industry. The year also marked the completion of construction of the world's first silicon laser-based enrichment plant at the Company's Lucas Heights, Sydney facility – another major milestone for Silex. Our achievements this year reflect the tenacious focus of the Silex and GLE teams on execution and the strength of our leadership.

The global revival of nuclear power, widely known as the 'Nuclear Renaissance', continues to gather momentum, driven by three key macro trends: governments' prioritisation of energy security (as an analogue for national security); emergent decarbonisation priorities in response to climate change; and rapid electrification of the global economy stimulating surging electricity demand. These three entrenched trends are creating the strongest tailwinds that the nuclear industry has ever seen, with 38 countries signing a declaration to triple nuclear capacity by 2050 and global bank, Morgan Stanley, estimating investment in the nuclear value chain could reach US$2.2 trillion over the same period. Even these figures may turn out to be conservative, as a new wave of increasing electricity consumption from AI, data centres, and hyperscalers compounds the demand outlook for future clean energy requirements.

Against this backdrop, your Company, Silex Systems, and GLE – the exclusive licensee of the SILEX laser-based uranium enrichment technology, have continued to make excellent progress in the commercialisation of the SILEX uranium enrichment technology over the course of the last year, as outlined below. We believe that the SILEX technology could make the production of nuclear fuel more efficient and cost effective compared to existing methods, and ultimately enable the nuclear renaissance to provide solutions for resilient, affordable, and sustainable carbon-free, baseload electricity generation.

As noted, the highlight of the year in review was the successful achievement of the large-scale enrichment demonstration of the SILEX technology at GLE's Test Loop facility in Wilmington, North Carolina, in October 2025. This is the first time a third-generation laser enrichment technology has been demonstrated at large-scale pilot plant level with full independent validation by a top-tier, third-party engineering consultancy. After more than two decades of world-class research, development, and engineering scale-up, this achievement represents a key de-risking event that sets Silex and GLE on a solid path to complete the maturation of the SILEX technology and prepare for commercial deployment at the planned Paducah Laser Enrichment Facility (PLEF) in Kentucky by 2030, subject to market conditions, industry support, and other factors.

GLE's owners, Silex (51%) and Cameco Corporation (49%), continue to support activities focused on two key areas: final detailed design and demonstration of the SILEX technology at full-scale commercial system performance under plant-like conditions (TRL-7); and planning for disciplined commercial deployment of the PLEF, subject to a feasibility assessment and Final Investment Decision (FID).

The planned PLEF represents a unique single-site solution for US domestic production of uranium, conversion, and enrichment services. With significantly higher efficiency and orders of magnitude increase in process throughput, the SILEX technology potentially places GLE in a strong position to serve the growing Western demand for nuclear fuel.

During the year, we also continued to strengthen and diversify the business case for the SILEX technology, including the recent completion of construction of the world's first laser-based enrichment plant for commercial production of Quantum Silicon (Q-Si) at the Company's Sydney facility, with functional integration and commissioning now advancing. Commercial engagement with potential customers for Q-Si products also increased during the reporting period.

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"The year ended 30 June 2026 marked an important year for Silex as we advanced our SILEX uranium enrichment technology through Technology Readiness Level 6 – successfully demonstrated at large-scale pilot plant level with full independent validation."

Craig Roy, Chair
Michael Goldsworthy, CEO/Managing Director

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Nuclear Fuel Markets and the Triple Opportunity

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

In particular, increasing geopolitical tensions and climate change have prompted many countries to re-prioritise government energy policy initiatives to achieve urgent decarbonisation targets and to accelerate energy security measures through sovereign energy platforms. These factors, coupled with disruptions in the Western nuclear fuel supply chain precipitated by the Russian invasion of Ukraine (and an increasingly assertive China), have resulted in market conditions and opportunities that have not previously been seen in the nuclear industry.

We believe that global nuclear fuel markets will continue to undergo a fundamental bifurcation over the near term, resulting in the need for a more resilient and sustainable nuclear fuel supply chain in the Western hemisphere. This realignment could endure for decades, given the renewed focus on long-term energy security.

The nuclear renaissance is in full swing, 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, and construction of, and planning for, hundreds of new nuclear power units around the world. Furthermore, it is expected that 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 greater flexibility and lower-cost deployment.

After three decades of decline of its nuclear industry, the US has moved decisively to reverse this trend and re-establish itself as the global leader in civilian nuclear power. 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 were signed by President Trump in May 2025. US-based GLE could benefit materially from these initiatives as the company progresses its commercialisation plans, as outlined below.

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_6;
2) production of low enriched uranium (LEU/LEU+) for conventional nuclear power plants;
3) production of high-assay LEU (HALEU) fuel for next-generation advanced reactors, including SMRs.

Subject to various factors, including the successful completion of technology maturation, 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 by 2030.

GLE's Commercialisation Program

After the completion of the large-scale pilot plant demonstration, including independent validation that TRL-6 had been achieved, GLE and Silex immediately ramped up activities in the TRL-7 program, which is focused on detailed design and demonstration of the SILEX technology with full-scale production equipment capable of benchmarking commercial system performance. At the time of writing, construction of full-scale system components was well advanced at GLE's Test Loop facility. The TRL-7 full-scale demonstration will culminate in the final technology design for the PLEF and allow the focus to transition to a PLEF feasibility study and an FID thereafter. The TRL technology maturation scale is more fully described in the main body of this report.

During the year, GLE also made considerable progress in key regulatory and commercialisation activities in parallel with the technology maturation and demonstration program. GLE's application for a licence to construct and operate the PLEF was accepted by the Nuclear Regulatory Commission (NRC) for review in August 2025, with the NRC currently completing its review process, including the Environmental Impact Statement and Safety Evaluation Report, which, combined, form the basis of the final NRC licence for the planned commercial SILEX laser enrichment facility in Paducah, Kentucky. GLE continues to work with the NRC to finalise the licence for the PLEF as early as CY2027.

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The US Department of Energy (DOE) notified GLE in January 2026 that it had been selected for an award of US$28.5 million to advance next-generation laser-based uranium enrichment technology. In addition, GLE received preliminary approval in March 2026 for a comprehensive package of incentives from the Commonwealth of Kentucky and McCracken County to support the development of the PLEF. The performance-based incentives package will provide up to US$98.9 million in tax and other economic incentives subject to GLE reaching agreed investment and job creation thresholds.

Preliminary site clearing works also continued during the year at GLE's ~700-acre PLEF site, which was acquired in November 2024. The site is strategically located adjacent the DOE's former first-generation Paducah Gaseous Diffusion Plant (PGDP) and provides access to the cylinder yards where over 200,000 metric tonnes of high-grade depleted tails inventories are stored – to be used as feed for the planned PLEF. GLE has exclusive access to this inventory, which will be used to produce natural grade UF_6 with the SILEX technology at an equivalent annual output rate of up to 5 million pounds of uranium a year for ~30 years – akin to an 'above-ground uranium mine', with the additional output of 2 million kilograms of conversion per year.

Quantum Silicon (Q-Si) Production Project
In June this year, Silex completed construction of the world's first silicon laser enrichment plant at its Sydney facility, which will shortly be deployed to produce highly enriched silicon-28. This valuable material will then be used to make Q-Si products for customers developing silicon-based quantum computers. Silex continues to engage with potential customers on- and offshore to build a customer base for the Company's products. Sample production of initial Q-Si products is anticipated to commence in Q1 CY2027.

Prioritising Health and Safety, 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 no lost time injuries – an outstanding achievement. That said, there is no complacency in the Company as the team diligently continues to manage work health and safety risks across our activities.

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 support solutions to many of society's intractable problems, such as climate change.

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 focus strongly on team retention with an attractive employee incentive plan and recruit carefully and strategically to ensure that we have the right people and expertise to deliver on our priorities and create shareholder value.

We would like to congratulate the Silex and GLE teams for their commitment and tenacity in achieving the important TRL-6 milestone over the past year. We also extend our gratitude to our fellow Directors for their continued support and leadership of the Company's strategy. In addition, we take this opportunity to thank you, our shareholders, for your ongoing support, particularly those existing and new shareholders who participated in the equity raise in August 2025.

With the strongest tailwinds ever seen for the nuclear industry and the current focus on transitioning our technology from final engineering to commercial deployment, we believe the outlook for your Company is very encouraging. 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 2026 Annual General Meeting.



Craig Roy
Chair



Michael Goldsworthy
CEO/Managing Director

27 August 2026

About Silex

Our Strategy

We are committed to the commercialisation of our innovative SILEX laser-based 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, through GLE's commercial deployment of the SILEX technology at the planned Paducah Laser Enrichment Facility (PLEF), in what could become a 'single-site solution' for the production of multiple grades of nuclear fuel.



About Silex



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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.

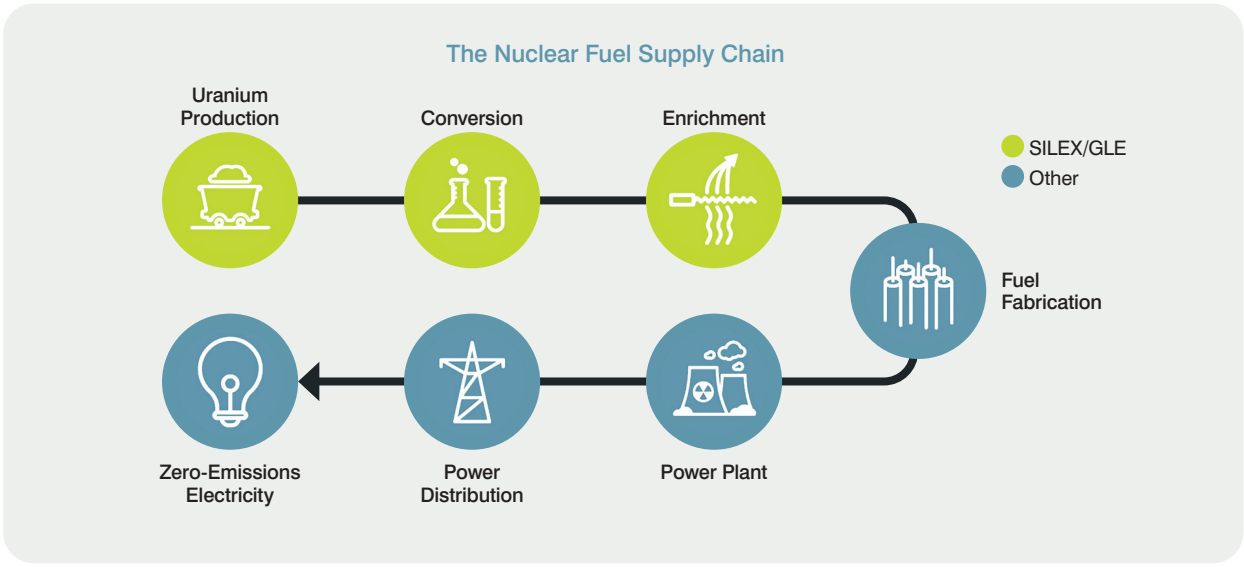
In June 2001, the technology was officially Classified by the United States and Australian Governments, bringing the SILEX technology commercialisation project formally under the strict nuclear safeguards, security, and regulatory protocols of each country.

Since 2006, the development and commercialisation program for the SILEX uranium enrichment technology has been 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 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.



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Uranium Enrichment

Naturally occurring uranium consists of two main isotopes, U^{235} and U^{238}. Nuclear energy is produced by the splitting (or 'fissioning') 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 **EX**citation (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.

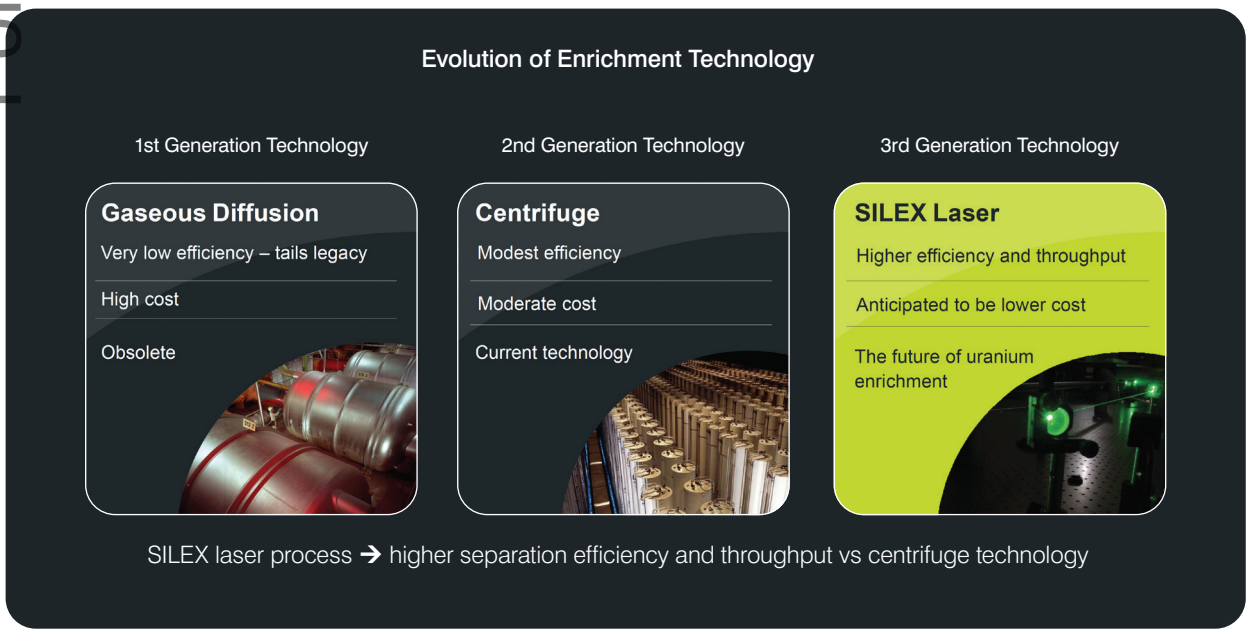
The two methods of uranium enrichment used to date are Gas Diffusion (first generation – obsolete) and Gas Centrifuge (second generation). Silex's third-generation laser-based process provides much higher enrichment process efficiency and throughput compared to these earlier methods, potentially offering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

Overview and Future Prospects

The 'Triple Opportunity' for GLE and the SILEX Uranium Enrichment Technology

GLE's path to market is focused on its potential to address the **'Triple Opportunity'** for nuclear fuel production, which is being driven by geopolitical and environmental developments that are transforming the global nuclear fuel supply chain.

The **'Triple Opportunity'** specifically involves GLE's potential production of three different grades of nuclear fuel in the US, commencing with natural UF_6 production at the planned PLEF:



1. **UF_6**
   Production of natural grade uranium hexafluoride (NUF_6) (with U^{235} assays of 0.7%) via enrichment of depleted UF_6 tails (U^{235} assays of 0.25% to 0.5%) with the SILEX technology. Since the tails are already converted, this would also help to alleviate UF_6 conversion supply pressures



2. **Low-enriched Uranium (LEU)**
   Production of LEU (U^{235} 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. **High-Assay, Low-enriched Uranium (HALEU)**
   Production of HALEU (U^{235} assays up to ~20%) via further enrichment with the SILEX technology – to supply fuel for next-generation advanced reactors, including small modular reactors including SMRs

GLE's planned PLEF represents a unique single-site solution for US domestic production of natural grade uranium, conversion, and enrichment services with the flexibility to produce NUF_6, LEU, LEU+, and HALEU in the future.

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 up to 30 years (as UF_6) and 2 million kgs p.a. conversion capacity
- PLEF is a potential single-site solution for US uranium, conversion, and enrichment services

GLE Headquarters and Test Loop Facility
- Currently operating in Wilmington, NC
- Large-scale enrichment demonstration completed – key technology de-risking milestone (TRL-6)
- Wilmington classified manufacturing facility

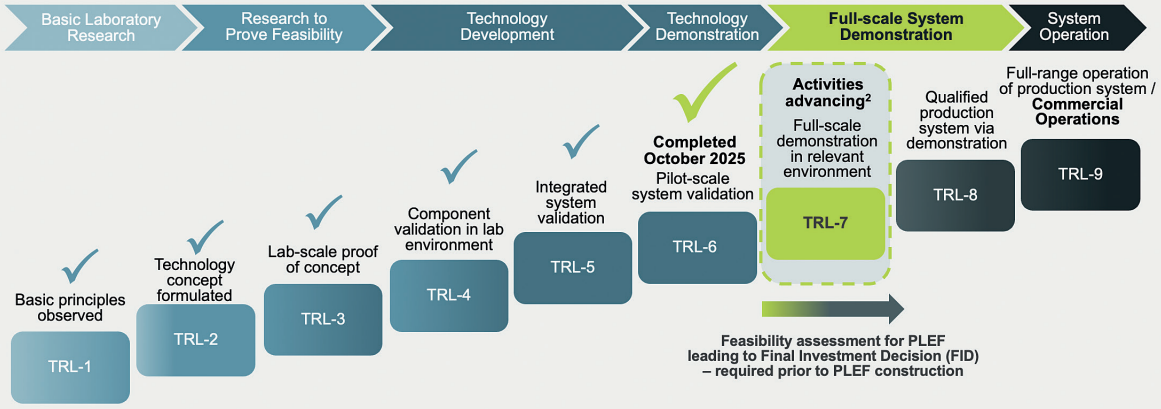
GLE is the exclusive licensee of the SILEX uranium enrichment technology. GLE is a jointly-controlled venture between Silex (51%) and global uranium and nuclear fuel provider, Cameco Corporation (49%). GLE's exclusive worldwide licence to commercialise the SILEX technology for uranium enrichment is founded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

GLE is the only company in the world to be operating large-scale, third-generation laser-based uranium enrichment technology under plant-like conditions (i.e., at TRL-6, with full independent validation of TRL-6 achievement provided by a leading Fortune 1000 technology provider in October 2025). GLE and Silex remain focused on the TRL-7 program, which will result in the detailed design and demonstration of the SILEX technology with full-scale production equipment capable of benchmarking commercial system performance.

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* (G413.3-4A). 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.

Technology Readiness Level (TRL)[1] Framework



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

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

- Currently progressing towards advancing technology maturation (TRL-7) and manufacturing activities (MRL-7), including the continued expansion of in-house manufacturing capabilities at GLE's headquarters in Wilmington, NC;
- Continued development of supply chains, with outreach to vendors, identification of long-lead procurement items, and planning for onshoring of critical component and system manufacture;
- Preliminary site works, including initial site clearing and electrical supply infrastructure at GLE's PLEF site in Western Kentucky;
- Continued work with the NRC to support its licence assessment for the planned PLEF, which is expected to be completed in early CY2027. The NRC completed its acceptance review of GLE's licence application in August 2025 and published its draft environmental impact study for the PLEF in March 2026. GLE is first in line with the NRC for licence approval, which would provide GLE with the required licence to construct and operate the PLEF;
- The DOE notified GLE in January 2026 that it had been selected for a funding award of US$28.5 million to advance next-generation laser-based uranium enrichment technology. In addition, GLE received preliminary approval in March 2026 for a comprehensive package of incentives from the Commonwealth of Kentucky and McCracken County to support the development of the PLEF. The performance-based incentives package will provide up to US$98.9 million in tax and other economic incentives subject to GLE reaching agreed investment and job creation thresholds;
- Extensive engagement with the Wilmington, NC, and Paducah, KY, communities, including GLE's provision of support for local economic and business development and the expansion of regional education and training programs to enable future GLE workforce development, as well as relationship building and stakeholder engagement. Notably, GLE, hosted 'open house' sessions with the Paducah community to answer community members' questions about the planned PLEF.

Subject to various factors, including industry and government support, a feasibility study for the PLEF, and supportive market conditions and other factors, GLE will continue to advance these commercialisation activities in order to support the potential commencement of commercial operations at the PLEF by 2030.

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

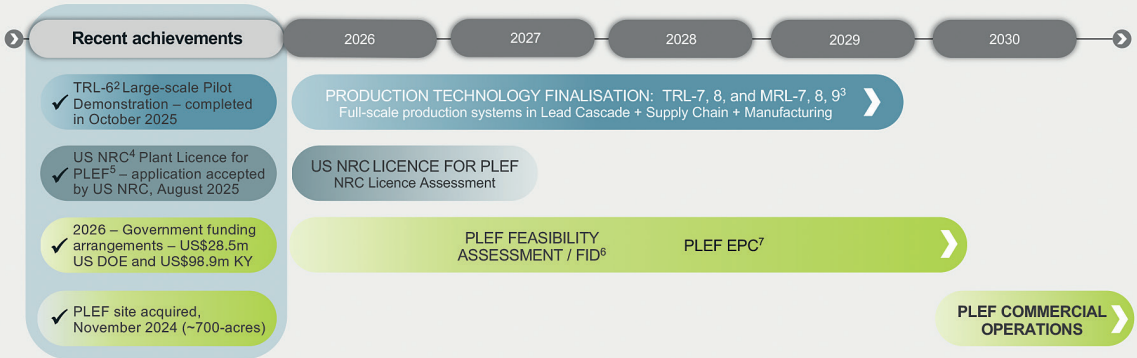
US$20M in Milestone Payments*
Triggered by commercial development milestones

* TRL-6 achievement triggered a US$5m Milestone Payment from GLE to Silex, which was received in December 2025. The Licence Agreement provides for a further US$15m in Milestone Payments.

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 April 2028.

GLE's Indicative Target Commercialisation Timeline[1]



1. Indicative target timeline subject to schedule risks, such as technology maturation 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)
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

PLEF
Commercial Plant Opportunities

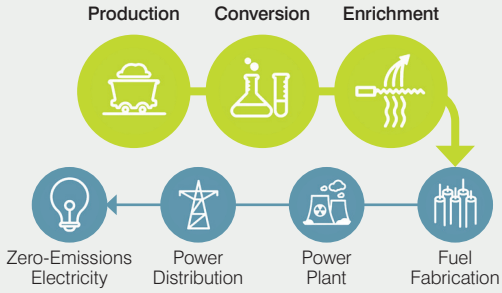
GLE's PLEF – Competitive Edge from a Potential Single-site Solution

The PLEF is the only potential single-site solution for US-based uranium, conversion, and enrichment production. GLE's planned annual NUF_6 production of up to 2,000 MTU equates to the supply of around 10% of the current US uranium and conversion demand for the US nuclear reactor fleet. This also represents a nearly tenfold increase in US domestic natural uranium output, significantly enhancing US national energy security and fuel independence.

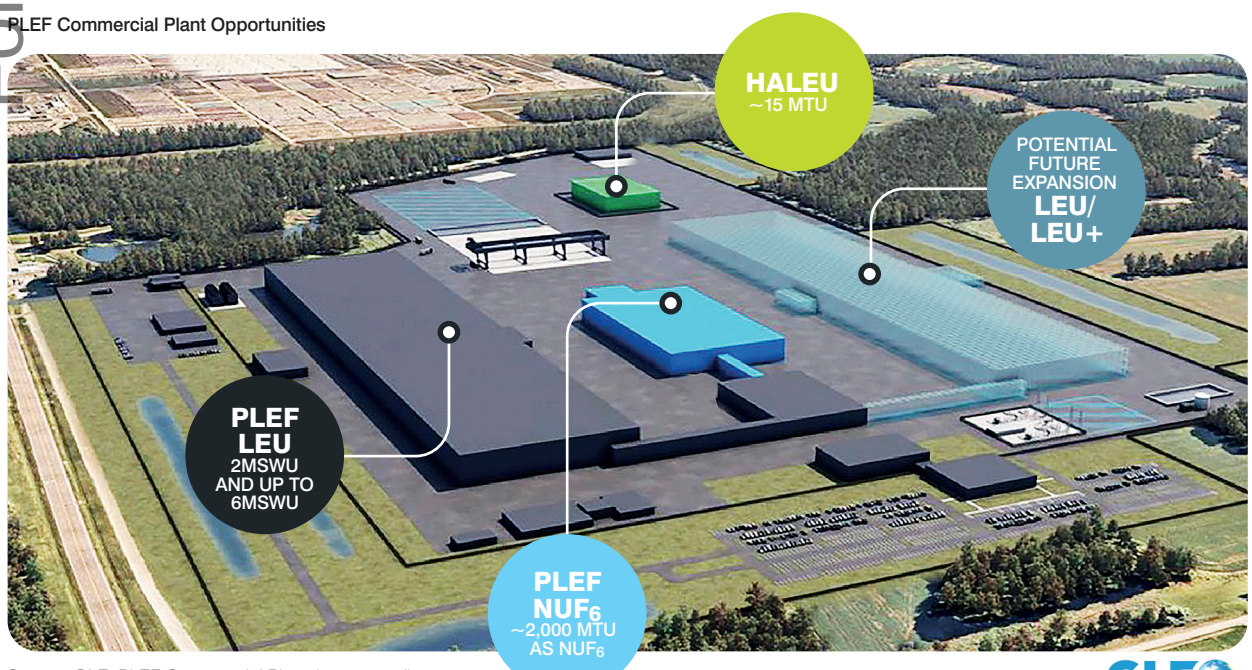
The initial PLEF commercial plant opportunity is underpinned by a 2016 agreement between GLE and the DOE, which, through the acquisition of over 200,000 metric tonnes of high-grade depleted tails owned by the DOE, provides the feedstock for the production of natural grade UF_6 for up to 30 years.

The output of the proposed plant would be sold 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_6 production indicates it could rank equal to a 'Tier 1' uranium project based on current estimates of longevity and low cost of production.

GLE's PLEF in the Nuclear Fuel Supply Chain
Uranium Production, Conversion and Enrichment



PLEF Commercial Plant Opportunities



Source: GLE, PLEF Commercial Plant (conceptual)

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PLEF Feedstock: DOE Depleted Uranium Tails, Paducah, KY
Source: US DOE Office of Environmental Management, 2025



PLEF Site Clearing, Paducah, KY

GLE's NRC Licence Application for the PLEF

GLE's application for a licence to construct and operate the PLEF was accepted by the Nuclear Regulatory Commission (NRC) for review in August 2025. At the time of writing, the NRC's review process is ongoing, including the preparation of the Environmental Impact Statement and Safety Evaluation Report, which, when combined, will form the basis of the final NRC licence for the planned PLEF. If, as is expected, GLE is granted the licence, it will be permitted to construct up to 8 million Separative Work Units (SWU) at the PLEF to produce NUF_6 and then LEU and, potentially, LEU+.

SILEX uranium enrichment technology commercialisation

The joint owners of GLE continue to take a considered approach to the SILEX uranium enrichment technology commercialisation program in line with current market conditions and opportunities. Ultimately, the future of the technology and likelihood of success in the remaining commercialisation program is dependent on the continued growth in the global markets for natural and enriched uranium. Commercialisation of the SILEX uranium enrichment technology therefore remains subject to these and other risks.



GLE's NRC Licence Application for the PLEF, 2 July 2025
From Left to Right: Stephen Long (GLE: Chief Executive Officer), Scott Steuer (GLE: Project Director), Jesus Diaz-Quiroz (GLE: ISA Manager), Nima Ashkeboussi (GLE: VP Government Relations and Communications), Timothy Knowles (GLE: Licensing & Regulatory Affairs Manager), Matt Bartlett (NRC: Sr. Project Manager, Fuel Cycle Licensing Branch), Samantha Lav (NRC: Chief, Fuel Cycle Licensing Branch), Robert Sun (NRC: Environmental Project Management Branch 2), Shana Helton (NRC: Director, Division of Fuel Management), Andrea Kock (NRC: Acting Officer Director, Nuclear Material Safety and Safeguards), and Kimyata Morgan-Butler (NRC: Acting Director, Division of Rulemaking, Environmental and Financial Support)

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 and race to assure their energy security and energy fuel supply chains.

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. The Declaration to Triple Nuclear Energy, launched at COP28 in Dubai in 2023 and now signed by 38 countries, established a 1,200 GWe nuclear capacity expansion target by 2050. The World Nuclear Association's January 2026 World Nuclear Outlook Report concluded that total nuclear capacity could reach 1,446 GWe by 2050 when considering current operable reactors, reactors under construction, planned, proposed, and potential reactors, together with current government targets.

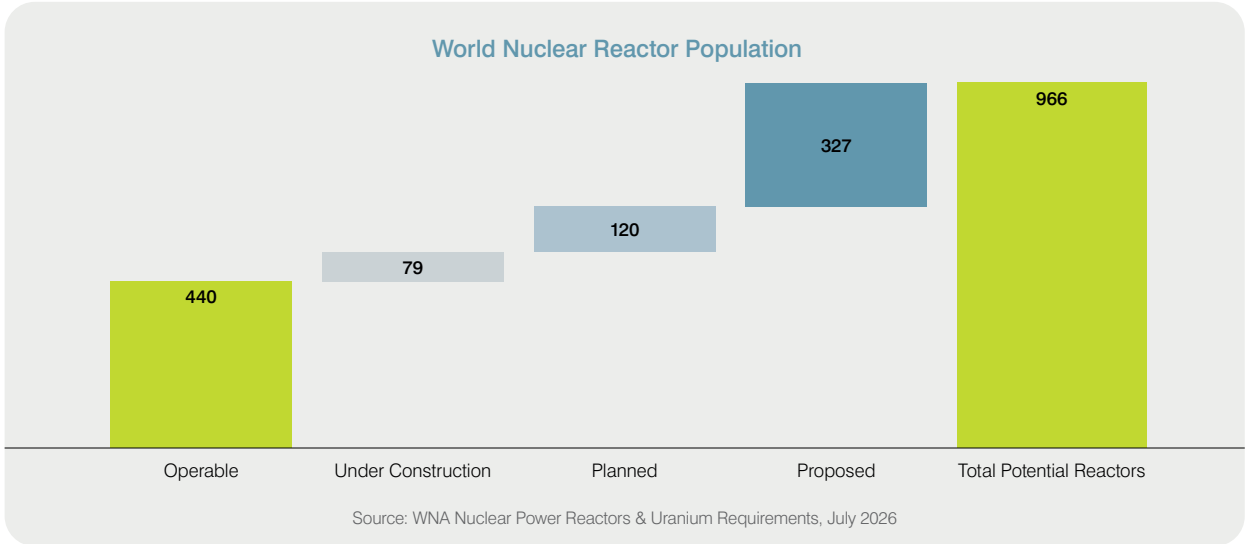
Today, there are 440 operable reactors globally, 79 reactors currently under construction, with a further 120 reactors planned and 327 proposed.

The US is currently the largest producer of nuclear power in the world, with ~30% of global nuclear generation today. Nuclear power in the US represents ~20% of its total electricity production across 28 states. The US government set targets in 2025 to quadruple nuclear power capacity by 2050, to ~400 GWe from the current capacity of ~100 GWe, underscoring the expected continued importance of nuclear in the production of energy in the US.

In pursuit of the US Government's objectives, an US$80 billion strategic partnership between the US Department of Commerce, Westinghouse, and its owners, Brookfield Asset Management and Cameco, was announced in October 2025, with a plan outlined to deploy a new fleet of Westinghouse AP1000 nuclear reactors across the United States. Furthermore, in June 2026, the US DOE announced a conditional loan commitment to finance the purchase of long-lead time items needed to rebuild America's commercial nuclear supply chain. The US$17.5 billion American Nuclear Supply Chain Loans will help to finance the construction of 10 Westinghouse AP1000 reactor units across five sites in the US, with each reactor generating 1.1 GW electrical power output.

There also is significant international investment in the development of next-generation advanced reactor technologies, including SMRs. With substantial growth forecast in the demand for electricity, SMRs, with their anticipated lower build costs, reduced construction times, smaller footprints, inherent safety features, and ability to load follow, offer greater flexibility and grid stability, particularly with today's electricity grids relying more heavily on disperse, intermittent renewable energy sources.

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



Source: WNA Nuclear Power Reactors & Uranium Requirements, July 2026

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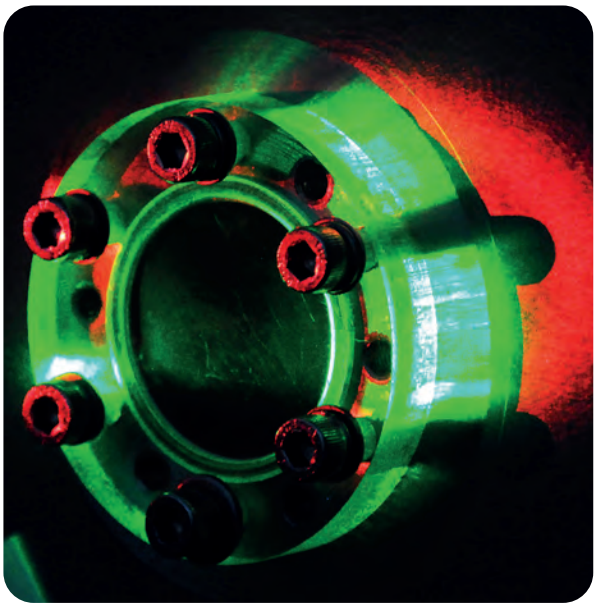
Fuel Market Update

Over the last three decades, global energy markets have become highly dependent on cheap, Russian-sourced nuclear fuel. However, the shift by Western markets away from Russian material precipitated by its February 2022 invasion of Ukraine, along with 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 is currently at ~US$94 per pound, which is near its highest level in over 20 years;
– term conversion prices also continue to increase, with the North American conversion price at ~US$55/kgU; and
– the term enrichment price has risen to ~US$180/SWU and is expected to continue to strengthen.

It is clear that demand for nuclear fuel continues to be elevated by positive developments over and above the War in Ukraine, creating significant opportunities for GLE to participate in supply-constrained Western/open markets – across a range of different fuel grades.

There remains an ongoing focus by nuclear fuel buyers to contract long-term fuel requirements. GLE is the only US enrichment company that has the potential to offer a single-site solution for production of uranium, conversion, and enrichment – a unique offering to nuclear power generators in the US and other key customer markets, making GLE a highly strategic energy security partner.



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Commercialising Quantum Silicon (Q-Si) for Quantum Computing Chips

Overview and Future Prospects

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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. The Project will result in the establishment of world's first laser-based enrichment plant to produce highly enriched silicon-28. The ~3.5-year Project is supported with $5.1 million in funding from the Federal Government's Defence Trailblazer for Concept to Sovereign Capability program and a cash contribution of $4.35 million from SQC. In June 2026, construction of the silicon enrichment plant (the Q-Si Production Plant) at our facility in Sydney was completed, with plant integration and commissioning activities to be completed later this calendar year.

Sample production of highly enriched silicon-28 is expected to commence in Q1 CY2027. The initial production plant is expected to produce up to 20kg of Q-Si annually (depending on several factors, such as market demand and customer purity requirements), which will be converted into gaseous and solid product forms, as required by various customers around the world.

Potential expansion of modular production capacity at a new dedicated site could occur over the coming years if market demand grows. Internal market analysis indicates the current market is small (less than 50 kgs per year); however, we expect this market to expand significantly over the next five to 10 years as silicon-based quantum computers are commercialised.

Enriched silicon-28 in the form of high-purity Q-Si is required for next-generation silicon-based quantum computers being developed by advanced semiconductor companies around the world. Quantum computers could revolutionise the computing industry by providing an immense increase in computing power, when compared with today's most advanced classical chips made by companies such as Intel, NVIDIA, IBM, GlobalFoundries, TSMC, and Samsung. Quantum computing, therefore, is expected to underpin a transformational performance uplift in the emerging AI industry.



Q-Si products are used by silicon-based quantum computing developers as the substrate material for the fabrication of 'nuclear spin' and 'quantum well' qubits – the building blocks of quantum computers, akin to transistor devices in classical silicon chips, but on a much smaller atomic scale. Silex has been working with SQC, to qualify Q-Si products with the highest possible levels of isotopic and chemical purity. Increasing levels of engagement with other potential customers offshore is expected to result in additional product offtake arrangements being concluded over the next year and beyond. Silex retains 100% ownership of the Q-Si production technology and related Intellectual Property (IP) developed through the Project.

Key Business Risks for Silex and the SILEX Technology

Key risk	Risk overview	Risk mitigants include:
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/governments and multilateral bodies. Whether this situation changes, and whether trade with Russia for nuclear fuel increases or resumes in the future, is unknown. In addition, the market for Q-Si (silicon-28) products may not develop as expected, due to, for example, the advancement of other modalities to fabricate quantum computers, resulting in lower-than-expected return on investment and reduced shareholder value.	• Continuous monitoring of market conditions • Flexible commercial planning • Modularity of SILEX technology, allowing for incremental capacity expansion should market conditions be supportive • Execution of a multilayered contracting portfolio, including provisions for exposure to increasing market prices and downside protection for negative market fluctuations.
Technology commercialisation program	The Company is currently undertaking the commercialisation of the SILEX laser-based uranium enrichment technology together with GLE. The outcomes of the technology maturation program, the success of which is a pre-condition to the commercialisation of the SILEX technology, cannot be assured, noting that 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 Stable Isotope Project, including the Company's Medical Isotope Separation Technology (MIST) Project, 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 maturation 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 IP.	• Structured technology development programs with diligent risk analysis • Rigorous project governance with regular progress reviews • Prioritisation of annual budgeting allocations on projects with high-value potential and implementation of staged investment decisions for continued capital allocation • Independent technical reviews when appropriate • Utilisation of appropriately qualified engineering, scientific, and project management staff • Strategic partnerships with technology partners and end-users/customers.

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Key risk	Risk overview	Risk mitigants include:
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: i) economic performance of different technologies at commercial scale; ii) vying for limited funding resources either through the financial markets or from government-funded initiatives; and iii) 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.	• Regular assessment of risks and opportunities for commercial deployment of the SILEX uranium enrichment technology, including ongoing competitor assessment • Robust business plans, predicated on deep sectoral/industry understanding and strong stakeholder/commercial relationships • Effective execution of business and operations plans in line with schedule and budgets • Scale-up and adequate resourcing of project delivery teams.
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: • 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.	• Active monitoring of the nuclear fuel market and maintenance of close relationships with industry-leading nuclear fuel market participants • Business plans mapped to evolving market dynamics • Modularity of SILEX technology, which allows for incremental production expansion • Project plans and decision gates closely tied to market conditions and opportunities • Execution of multilayered customer contracts through established channels.
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 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. 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.	• Silex and GLE maintain in-house specialists and expertise, together with external counsel and advisers to provide guidance and advice • Regular engagement with US Government representatives and other relevant authorities • Effective regulatory strategy, planning, and execution • Appointment and retention of qualified and experienced regulatory personnel at GLE and Silex • Maintenance of full regulatory compliance, including timely submissions of licence and permit reports and deliverables • Performance of all operations within regulatory/licence boundaries, including regular training and awareness of regulatory and compliance environments and operating responsibilities.

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Key risk	Risk overview	Risk mitigants include:
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.	• Geographic diversification of opportunities • Ongoing market monitoring • Financial management and use of hedging tools to reduce currency exposure • Participation in government-supported fuel security initiatives • Rigorous financial planning and adherence to technology development and commercialisation budgets and programs to ensure the best utilisation of resources • Flexible commercial planning.
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_6) 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. Silex is reliant on these various agreements, partners, and stakeholders for the successful commercialisation of the SILEX uranium enrichment technology. Problems arising or caused through these contracts or agreements, or by or with the counterparties and other contracted parties, may have the potential to affect the performance and operations of Silex and/or GLE, as well as the commercial outcomes being pursued by Silex and/or GLE. Any disagreements in the interpretation of contracts or agreements, and any failure by counterparties to perform their obligations under such agreements or contracts, could have a materially adverse effect on Silex and GLE. Further, as Silex transitions into commercial manufacture of Q-Si products, offtake agreements with customers may not be enforceable in the event of Silex product quality issues or lower-than-expected demand, due to slower commercialisation of quantum computing technologies. In addition, third-party customers may default on their contractual obligations to the detriment of Silex.	• Ongoing leadership of the SILEX technology maturation and commercialisation program, in conjunction with GLE and support from Cameco • Periodic in-person meetings between joint venture partners • Diversified commercial opportunities with credit-worthy customers • Regular governance forums between partners • Continued engagement with government stakeholders and prospective customers.

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Key risk	Risk overview	Risk mitigants include:
Intellectual property	As with any IP, 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 the Company 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, including silicon-28 enrichment, to the extent there is overlap in such IP. The SILEX technology is, therefore, protected proactively by government-mandated trade-secret protocols, as well as by 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 IP 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 IP.	• IP protection plans and periodic review of IP strategy in changing competitive landscapes • Proactive defence of Company's IP rights and assurance of robust contractual confidentiality obligations and controls with regard to the sharing of the Company's information • Clearly defined in-house policies and procedures for protection of the Company's confidential information and IP • Employee training to ensure capture of new IP and implementation of an appropriate IP protection strategy.
Cyber security	Actual or attempted cyber-attacks and hacking, ransomware, malware, data breach, accident, or other unauthorised access to the Company's information systems, business data, and personal information of Silex staff, partners, visitors, and customers could result in the potentially irrecoverable loss of data and could affect both the revenue-generating potential and reputation of Silex, as well as result in privacy breaches. In such situations, there is a risk that Silex fails to meet the requirements of its permit to possess technical information and operate. 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.	• Multi-layered cyber security controls • Implementation of Essential 8 mitigations as per the Australian Cyber Security Centre (ACSC) with regular reviews, protections, and practices in place • Independent security assessments • Mandatory employee awareness training • Incident response planning • Protection of sensitive information and IP.
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, staff development activities, and retention practices.	• Competitive remuneration framework, including an attractive Employee Incentive Plan • Succession planning • Advanced planning for recruitment of additional employees as business opportunities evolve • Career development/progression and tailored training programs for key staff in strategically important positions within the Company • Knowledge information systems effectively documented and centralised to assist with efficient knowledge transfer • Workplace culture focused on innovation and safety.
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, including managing the employee psychosocial environment. Laser technology and nuclear industry operations carry inherent risks, including managing the employee psychosocial environment. 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.	• Integrated comprehensive WHS management systems with active risk management, and a focus on monitoring leading and lagging indicators and continuous improvement • Implementation of controls to mitigate safety incidents, injuries, and illnesses including a focus on physical, mental and social wellbeing • Regulatory compliance • Baseline health monitoring • Provision of personal protective equipment (PPE) • Regular internal audits of safety practices and task execution • Regular employee training and communications about safety.

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Key risk	Risk overview	Risk mitigants include:
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 planned PLEF. Regulatory change by governments in response to climate change may also result in increased compliance costs. Conversely, the planned move to a net-zero emissions economy strengthens the role of nuclear energy and GLE as a potential producer of zero-emissions nuclear fuels.	• Clear and transparent ESG Policy/Charter • Clear Purpose and Values set across the Company • Emergency planning and ongoing enhancement to business continuity plans and procedures • Property and business interruption insurance maintenance • Climate risk assessment and preparation for implementation of AASB S1 and S2 (reporting requirements) and the Company's first sustainability report (for financial year commencing 1 July 2027).



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Directors' Report

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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 2026.

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
– Ms S J Corlett
– Mr C D Wilks

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, NSW 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.

The Company continues to pursue the **'Triple Opportunity'** in the global nuclear fuel supply chain for the SILEX uranium enrichment technology through GLE and the commercial deployment of the SILEX technology at the Paducah Laser Enrichment Facility (PLEF) at Paducah, Kentucky (KY).

Silex is also progressing the commercial deployment of the SILEX technology for the production of highly enriched silicon-28 (Quantum Silicon (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 other high-value stable isotopes, including medical isotopes.

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 10 to 25 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:

	2026 $	2025 $
Revenue from continuing operations	**21,585,715**	12,204,289
Other income	**5,157,120**	6,409,422
(Loss) before tax	**(38,620,683)**	(42,557,236)
Income tax expense	**–**	–
Net (loss) from continuing operations	**(38,620,683)**	(42,557,236)
Net (loss) for the year	**(38,620,683)**	(42,557,236)
Net (loss) is attributable to:		
Owners of Silex Systems Limited	**(38,620,683)**	(42,557,236)

The net loss from continuing operations was $38.6m compared to $42.6m in the prior year. The decrease in net loss from continuing operations is primarily attributable to the $9.4m increase in revenue from continuing operations to $21.6m in the current year. The increase is mainly due to milestone revenue of $7.6m compared to $nil in the prior year. In accordance with the Company's exclusive licence agreement with GLE for the SILEX uranium enrichment technology, with the milestone payable by GLE following TRL-6 achievement in October 2025. Interest revenue also increased by $2.9m compared to the prior period, due to larger cash holdings as a result of the August 2025 capital raise.

Other income decreased by $1.3m to $5.2m in the current year, primarily due to a $1.1m decrease in the research and development tax incentive due to lower materials expenditure, and a $0.3m decrease in government grants.

The improvement in revenue from continuing operations was partially offset by 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 $3.7m in the current year to $45.5m (reported as share of net loss of associates and joint ventures accounted for using the equity method).

Employee benefits expense was also higher in the current year, increasing by $2.0m compared 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 statement of financial position is set out below:

	30 June 2026 $	30 June 2025 $
Assets		
Total current assets	**190,201,029**	89,670,850
Total non-current assets	**17,871,305**	9,288,638
Total assets	**208,072,334**	98,959,488
Liabilities		
Total current liabilities	**6,455,223**	7,273,308
Total non-current liabilities	**420,514**	738,313
Total liabilities	**6,875,737**	8,011,621
Net assets	**201,196,597**	90,947,867
Equity		
Total equity	**201,196,597**	90,947,867

The Company's net assets as at 30 June 2026 of $201.2m increased by 121% compared with the previous year, largely attributable to the August 2025 capital raise and Share Purchase Plan (SPP), raising $142.7m net of transaction costs. Significant assets include cash holdings of $180.7m (cash and term deposits) and investments accounted for using the equity method (investment in GLE) of $17.0m. The Company holds no corporate debt.

5. Significant changes in state of affairs

Share capital increased by $147.1m (from $392.7m to $539.8m) as a result of the August 2025 institutional placement, SPP, and the various issues of shares on the exercise of performance rights and options granted under the Silex Systems Limited Employee Incentive Plan. Details of the changes in share capital are disclosed in note 10(a) to the consolidated financial statements.

6. Matters subsequent to the end of the financial year

The consolidated entity is not aware of any matters or circumstances which are not otherwise dealt with in the consolidated 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 page 29, and is current as at the date of this Annual Report.

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 for three years

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)

8. Meetings

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

	Directors' Meetings		Audit and Risk Committee Meetings		Remuneration and Nomination Committee Meetings	
Director's Name	(Number) Held*	(Number) Attended	(Number) Held*	(Number) Attended	(Number) Held*	(Number) Attended
Mr C A Roy	14	14	4	4	2	2
Dr M P Goldsworthy	14	14	•	•	•	•
Ms S J Corlett	14	14	4	4	2	2
Mr C D Wilks	14	14	4	4	2	2

* 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

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Board of Directors

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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 Chair of the Australian Research Data Commons (ARDC), and a Non-executive Director of Australian Composites Manufacturing CRC Limited, and Omico, a medical oncology not-for-profit organisation.

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 and Chair of Global Laser Enrichment Holdings LLC (Chair from 01/01/2026)

Interests in shares, options and rights:
- Number of ordinary shares: 130,000
- Number of options: Nil
- Number of rights: Nil



Dr Michael Goldsworthy

BSc (Hons), MSc, PhD, FAIP, GAICD.

CEO/Managing Director – Executive Director

Experience and expertise:
- CEO/Managing Director 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:
- CEO/Managing Director
- Director of Global Laser Enrichment Holdings LLC

Interests in shares, options and rights:
- Number of ordinary shares: 5,780,118
- Number of options: 300,000
- Number of rights: 208,600



Ms Susan 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: 1,983,716
- Number of options: Nil
- Number of rights: Nil

Remuneration 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 2026. 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.

The Board's underlying approach to remuneration is to ensure that remuneration outcomes have strong alignment with building long-term shareholder wealth, underpinned by prudent risk and capital management. There were no increases to the fixed remuneration of the CEO and CFO, or our non-executive directors during FY2026.

The year ended 30 June 2026 was a year of significant strategic and operational progress for the Company's core project – the commercialisation of the SILEX uranium enrichment technology, in collaboration with our exclusive licensee Global Laser Enrichment (GLE). Accordingly, this project remained the primary focus of the Company's performance-based remuneration incentives to ensure that reward is linked to the delivery of long-term value as the SILEX technology is commercialised.

The key milestone in FY2026 was the achievement of Technology Readiness Level 6 (TRL-6) for the SILEX uranium enrichment technology, which was confirmed through an independent assessment by a top-tier engineering consultant in October 2025. The TRL-6 milestone involved large-scale enrichment demonstration with a fully integrated pilot plant built by Silex and GLE and operated at GLE's Wilmington, NC, Test Loop facility. This represented a major technology de-risking milestone and an important step in progressing the SILEX technology towards commercial deployment at the planned Paducah Laser Enrichment Facility (PLEF).

The year also saw GLE's continued progress on other fronts, including the securing of additional funding to support its strategic and commercialisation objectives, and advancement of GLE's application for a licence to construct and operate the PLEF, which was accepted by the US Nuclear Regulatory Commission (NRC) for review in August 2025, and is currently in the latter stages of review by the NRC. 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 initial commercial production of nuclear fuel by 2030.

In addition, Silex successfully completed construction of the world's first laser-based silicon enrichment plant. This establishes an important manufacturing capability that supports the Company's strategic entry into the critical supply chain for silicon-based quantum computing and provides a vital strategic material in the form of highly enriched Quantum Silicon (Q-Si).

These achievements demonstrate meaningful progress in the execution of Silex's ultimate strategy of commercialising our innovative SILEX laser-based enrichment technology across multiple global markets for high value enriched critical materials.

The incentive-based remuneration outcomes for the CEO and CFO during the year ended 30 June 2026 were primarily driven by the vesting of Extended Long-term Incentive (LTI) awards that were granted in prior years, and earned through the achievement of significant and challenging performance objectives and sustained value creation over a number of years. In the case of the CEO, the vesting of his Extended LTI related primarily to the achievement of TRL-6 in October 2025, and for the CFO, the delivery of performance-based criteria linked directly to increased shareholder value.

Independent Remuneration Framework Review implemented in FY2025

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. The changes were implemented whilst ensuring that at all times our remuneration practices reflect good 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 arrangements implemented are outlined in this Remuneration Report, including details of the CEO's new multi-year equity-based incentives that were approved by shareholders at the 2025 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.

The Board regularly reviews the Company's remuneration framework to ensure it remains competitive, supports the Company's strategy and aligns the interests of executives with those of shareholders.

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Remuneration outcomes for FY2026
As detailed in this Remuneration Report, the implementation of the independent remuneration review resulted in new multi-year, equity-based incentives for the CEO that were approved by shareholders at the 2025 AGM. The underlying short-term and long-term Key Performance Indicators (KPIs) and objectives for our CEO and CFO remain laser-focused in their intent to align performance incentives with value creation for our shareholders, and to drive positive outcomes in the longer term.

The Committee and the Board assessed the performance of executive KMP against their respective KPIs and objectives. Section c. of the Remuneration Report details the FY2026 Short-term Incentive (STI) payments and includes a final assessment of the KPIs, and whilst reflecting strong personal performance and achievement of deliverables for FY2026, the final STIs paid were reduced following the exercising of Board discretion. The underlying KPIs and objectives for the FY2026 LTI have a performance period ending 30 June 2028, with good progress made towards the underlying deliverables during the year.

Following the achievement of TRL-6 for the SILEX uranium enrichment technology, the CEO's Extended LTI, comprising 412,500 Performance Rights fully vested, reflecting very significant performance over a 5.5-year performance period. Furthermore, the final tranche of the CFO's Extended LTI comprising 75,000 Performance Rights fully vested at the conclusion of FY2026 following the achievement of performance criteria directly linked to the 35% increase in the Company's share price over the 3-year performance period. Following the conclusion of the respective Extended LTIs, no further Extended LTIs will be offered.

Reflecting the significance of TRL-6 achievement to the Company, a one-off strategic cash award of $100,000 gross was paid to the CEO and $80,000 gross to the CFO in December 2025. These awards reflect the performance of our executive KMP over the preceding years resulting in the successful delivery of a pivotal technology maturation milestone (TRL-6) which is a key step towards the commercialisation to the SILEX uranium enrichment technology.

We believe that our remuneration programs have been appropriately set and create alignment between our executive KMP and the long-term success of the Company and creation of shareholder value.

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

Remuneration Report

The directors present the Remuneration Report for the year ended 30 June 2026, 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:

a. Directors and KMP disclosed in this report
b. Remuneration governance and link to performance
c. Elements of executive KMP remuneration
d. Link between FY2026 remuneration and performance
e. Contractual arrangements with executive KMP
f. Non-executive directors' remuneration arrangements
g. Statutory remuneration disclosures for KMP remuneration
h. Performance-based remuneration granted and forfeited during the year
i. Terms and conditions of the equity-based payment arrangements
j. Reconciliation of options, rights and ordinary shares held by executive KMP
k. Use of external remuneration consultants
l. Voting at the Company's 2025 Annual General Meeting

a. Directors and KMP disclosed in this report

The 2026 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 S J Corlett	Non-executive Director
Mr C D Wilks	Non-executive Director

Former Non-executive directors	
Ms H G Cook	Non-executive Director until 22 November 2024

Other executive KMP	
Ms J E Russell	CFO/Company Secretary

b. Remuneration governance and link to performance

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.

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, aligned with the long-term interests of shareholders, and is transparent and easily understood. The Board and its advisors are independent of management when making decisions affecting employee remuneration.

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 various outcomes of the review were implemented with effect from 1 July 2024, with the recommendations with regard to the CEO's multi-year, equity-based incentives approved by shareholders at the 2025 AGM implemented with effect from the commencement of FY2026. The full implementation of the outcomes of the independent remuneration review will take several years to take effect.

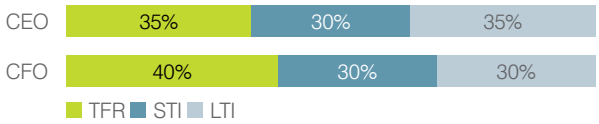
In accordance with the independent remuneration review outcomes, the executive KMP remuneration framework comprises of two components:

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

The at-risk incentives include an annual STI and LTI, which is assessed over a 3-year period. For equity-based incentives, sustainability of results is aligned through the impost of a 2-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 FY2026 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, technology assessments, 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 FY2026.

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.

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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 were in accordance with shareholder approval granted at the 2025 AGM and implemented with effect from the commencement of FY2026.

Element	Purpose	Performance Metrics	Delivery	Potential Value[1]
Total Fixed Remuneration (TFR)	Provide competitive market salary, including superannuation 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%) CEO: $800,000 CFO: $425,000	Positioned at median market rate
STI[2]	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: 88,600 Performance Rights[3] (Nb. FY2026 to FY2028 – award of a maximum of 100,000 Performance Rights to the equivalent value of $585,000 per annum to be issued annually. Underlying performance criteria to be set by the Board at the commencement of each financial year)	$434,369 For 88,600 Performance Rights for FY2026
			Maximum gross cash STI performance payment of $100,000	$77,000 awarded for FY2026
			CFO: 70,000 Performance Rights (Nb. Underlying performance criteria to be set by the Board at the commencement of each financial year)	$171,024 For 70,000 Performance Rights for FY2026
			Maximum gross cash STI performance payment of $80,000	$64,000 awarded for FY2026
LTI[2]	Alignment to long-term shareholder value. Retention via 2-year escrow period applied to any equity incentive award	Performance linked to contribution to the delivery of the Company's strategic plan and creation of shareholder value. LTIs are assessed over a 3-year performance period and are designed to promote long-term stability in share price appreciation	CEO: 120,000 Performance Rights[3] (Nb. FY2026 to FY2028 – award of a maximum of 120,000 Performance Rights per annum to be issued annually. Underlying performance criteria underpinned by a 3-year performance period to be set by the Board at the commencement of each financial year)	$567,774 Expensed over FY2026 to FY2029
			CFO: 75,000 Performance Rights	$354,859 Expensed over FY2026 to FY2029
Extended LTI[2] **No further Extended LTIs to be issued following expiry of current incentives**	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 demonstration) by no later than 31 December 2025	CEO: 412,500 Performance Rights[4] (to cover 5.5 performance years commencing 1 July 2020 and ending 31 December 2025)	$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)	$239,550 Expensed over FY2022 to FY2026
One-off strategic bonus award	Reward reflects multi-year performance resulting in the successful delivery of a pivotal technology maturation milestone (TRL-6), and aligned with long-term value creation	Performance linked to successful TRL-6 demonstration	CEO: Gross cash STI performance payment of $100,000	$100,000 awarded
			CFO: Gross cash STI performance payment of $80,000	$80,000 awarded

1. Potential Value assessed at 30 June 2026, based on a current estimate of vesting. This is subject to ongoing performance, assessment and potential revision
2. 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
3. Approved by shareholders at the 2025 AGM
4. Approved by shareholders at the 2021 AGM

i. Short-term Incentives

CEO/MD	
Composition	An equity-based STI may be granted annually at the discretion of the Board. As per shareholder approval at the 2025 AGM, the CEO's STI for the years ending 30 June 2026, 2027 and 2028 comprises an annual grant of a maximum of 100,000 Performance Rights to the equivalent value of $585,000. Underlying performance criteria to be set by the Board at the commencement of each financial year. The CEO is also eligible for an annual gross cash performance payment. For FY2026, the maximum annual gross cash performance payment was $100,000.
Equity Opportunity	Maximum of 100,000 Performance Rights to the equivalent value of $585,000. For FY2026, 88,600 Performance Rights were issued.
Cash STI	The CEO was eligible for a gross cash performance payment of $100,000 for FY2026.
Performance Metrics / Assessment	The STI KPIs were focussed on delivering priorities associated with increasing shareholder value, including: **Vesting Condition 1 (45% STI weighting):** reflecting the strategic significance of the Company's uranium enrichment technology and investment in commercialisation vehicle GLE, the STI objective was linked to specific FY2026 outcomes associated with the US-based commercialisation program. **Vesting Condition 2 (10% STI weighting):** the STI KPI was linked to the Company's Q-Si Production Project and reflected efforts to complete FY2026 milestones and deliverables that progress the Company's technology towards initial market entry in CY2027. **Vesting Condition 3 (45% STI weighting):** the STI KPIs reflected various corporate objectives that underpin the Company's operations. Various safety related targets were included, and reflected the continuing focus on the ongoing implementation of a comprehensive WHS framework in support of the Company's Q-Si Production Project. Other corporate objectives included performance related to investor engagement, capital management and risk management. The final assessment of Vesting Condition 3 reflected individual strategic performance measures. **Assessment:** 77% (following Board discretion to reduce award) **Performance Rights Vesting:** The Board determined to award 77%, and therefore 68,222 of the maximum total of 88,600 Performance Rights will vest. 68,222 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. **Cash STI:** A gross cash payment of $77,000 was paid to the CEO on 30 June 2026.
Board discretion	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.

CFO/Company Secretary	
Composition	An equity-based STI may be granted annually at the discretion of the Board. The FY2026 STI comprises an annual grant of 70,000 Performance Rights. The CFO is also eligible for an annual gross cash performance payment. For FY2026, the maximum annual gross cash performance payment was $80,000.
Equity Opportunity	70,000 Performance Rights
Cash STI	The CFO was eligible for a cash performance payment of $80,000 for FY2026.
Performance Metrics / Assessment	The STI KPIs were focussed on delivering priorities associated with increasing shareholder value, including: **Vesting Condition 1 (35% STI weighting):** reflecting the strategic significance of the Company's uranium enrichment technology and investment in commercialisation vehicle GLE, the STI objective was linked to specific FY2026 outcomes associated with the US-based commercialisation program. **Vesting Condition 2 (65% STI weighting):** the STI KPIs reflected various corporate objectives that underpin the Company's operations. This included delivery of a Company reorganisation and resourcing plan, and various safety related targets that also reflected the continuing focus on the ongoing implementation of a comprehensive WHS framework in support of the Company's Q-Si Production Project. Other corporate objectives included performance related to investor engagement, capital management and risk management. The final assessment of Vesting Condition 2 reflected individual strategic performance measures. **Assessment:** 80% (following Board discretion to reduce award) **Performance Rights Vesting:** The Board determined to award 80%, and therefore 56,000 of the maximum total of 70,000 Performance Rights will vest. 56,000 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. **Cash STI:** A gross cash payment of $64,000 was paid to the CFO on 30 June 2026.
Board discretion	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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ii. Long-term Incentives

CEO/MD	
Composition	As per shareholder approval at the 2025 AGM, the CEO's LTI for the years ending 30 June 2026, 2027 and 2028 comprises an annual grant of a maximum of 120,000 Performance Rights. Accordingly, an equity-based LTI to cover the initial three performance years (i.e., FY2026 through to and including FY2028) was granted on 20 October 2025. Underlying performance criteria for the FY2026 LTI were set by the Board for the three-year performance period commencing 1 July 2025.
Opportunity	120,000 Performance Rights
Performance Metrics / Assessment	The equity-based LTI is subject to performance and service-based vesting conditions for the 3-year performance period ending 30 June 2028. The performance-based vesting conditions align with Silex's primary strategic priority of commercialisation of the SILEX uranium enrichment technology and the delivery of priorities associated with increasing shareholder value, including a specific performance condition tied to Silex's share price performance throughout the performance period. The performance metrics include the following vesting conditions: **Vesting Condition 1 (50% LTI weighting):** linked to sustained Silex Share Price appreciation and value creation for Silex shareholders. Share price appreciation will be measured by reference to the Company's inclusion in the S&P/ASX 200. **Vesting Conditions 2 & 3 (50% LTI weighting):** relate to specific strategic deliverables associated with the Company's investment in GLE, including positioning GLE for a successful Final Investment Decision. Due to commercial sensitivities and confidentiality, additional specificity is unable to be disclosed at this time. The service-based vesting condition requires that the CEO continues to be an eligible employee as at the date of payment of the LTI (i.e., date of issue of Silex Systems Limited shares following the vesting of Performance Rights). In the event the Performance Rights vest, any resulting allotment of Silex Systems Limited shares will be subject to a further escrow period of two years. **Assessment:** N/A for FY2026
Forfeiture and termination	Performance Rights will lapse if vesting conditions are not met. Rights will be forfeited on cessation of employment unless the Board determines otherwise.
Board discretion	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.

CFO/Company Secretary	
Composition	An equity-based LTI has been issued for FY2026, subject to performance-based and service-based vesting conditions. The FY2026 LTI has a three-year performance period commencing 1 July 2025.
Opportunity	75,000 Performance Rights
Performance Metrics / Assessment	The equity-based LTI is subject to performance and service-based vesting conditions for the 3-year performance period ending 30 June 2028. The performance-based vesting conditions align with Silex's primary strategic priority of commercialisation of the SILEX uranium enrichment technology and the delivery of priorities associated with increasing shareholder value, including a specific performance condition tied to Silex's share price performance throughout the performance period. The performance metrics include the following vesting conditions: **Vesting Condition 1 (50% LTI weighting):** linked to sustained Silex Share Price appreciation and value creation for Silex shareholders. Share price appreciation will be measured by reference to the Company's inclusion in the S&P/ASX 200. **Vesting Conditions 2 & 3 (50% LTI weighting):** relate to specific strategic deliverables associated with the Company's investment in GLE, including positioning GLE for a successful Final Investment Decision. Due to commercial sensitivities and confidentiality, additional specificity is unable to be disclosed at this time. The service-based vesting condition requires that the CFO continues to be an eligible employee as at the date of payment of the LTI (i.e., date of issue of Silex Systems Limited shares following the vesting of Performance Rights). In the event the Performance Rights vest, any resulting allotment of Silex Systems Limited shares will be subject to a further escrow period of two years. **Assessment:** N/A for FY2026
Forfeiture and termination	Performance Rights will lapse if vesting conditions are not met. Rights will be forfeited on cessation of employment unless the Board determines otherwise.
Board discretion	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	
Composition	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.
Opportunity	412,500 Performance Rights
Performance Metrics / Assessment	The performance period of the Extended LTI commenced on 1 July 2020 and ended 31 December 2025. The performance criteria were linked to specifically tailored outcomes relating to the scale-up of the unique SILEX uranium enrichment technology (i.e., TRL-6 demonstration) and assessed over a performance period ending no later than 31 December 2025. Achievement is 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 two years.
	Assessment: Following the achievement of TRL-6 for the SILEX uranium enrichment technology as announced to the ASX on 23 October 2025, the CEO's Extended LTI comprising 412,500 Performance Rights fully vested. The shares issued are subject to a 2-year trading restriction from the date of issue, being 15 December 2025.
Forfeiture and termination	Performance Rights will lapse if performance conditions are not met. Rights will be forfeited on cessation of employment unless the Board determines otherwise.
Board discretion	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	
Composition	The equity-based Extended LTI is a multi-year incentive equivalent to 300,000 Performance Rights for a five-year performance period ending 30 June 2026.
Opportunity	300,000 Performance Rights
Performance Metrics / Assessment	The performance period of the Extended LTI commenced on 1 July 2021 and ended on 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 two years.
	Assessment: With respect to performance-based and service-based criteria for the 3-year period ending 30 June 2026, it was assessed that the vesting criteria had been met and 75,000 Performance Rights 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.
Forfeiture and termination	Performance Rights will lapse if performance conditions are not met. Rights will be forfeited on cessation of employment unless the Board determines otherwise.
Board discretion	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.

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d. Link between FY2026 remuneration and performance

FY2026 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 200 (XJO:ASX), noting that the Company entered the ASX 200 on 22 December 2025.

Silex's 5-year trading performance (i.e., from 1 July 2021 to 30 June 2026) achieved a Total Shareholder Return of ~500% over the period.



Silex's (SLX:ASX) trading performance over various trading periods is as follows:

Period ended 30 June 2026	Total Shareholder Return
12-months	26%
3-years	35%
5-years	490%

Of note during the year was the Company's achievement of TRL-6 in October 2025 and progress with activities contributing to positioning GLE for the potential commercial production of nuclear fuel by 2030. 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 executive KMP. 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 $
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
2026	(14.2)	746,393	5.30

e. Contractual arrangements with executive KMP

Component	CEO/MD	CFO/Company Secretary
Total Fixed Remuneration (including superannuation)	$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 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 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 will lapse. Vested and unexercised LTI may be exercised following termination at Board discretion.	STI is not awarded and all unvested 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.

The fees payable to our Chair and other non-executive directors are reviewed annually and are 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. 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 FY2026. All non-executive directors enter into a written agreement with the Company in the form of a letter of appointment.

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

Non-executive directors' fees for FY2026 are detailed in the table below, noting that the fees were unchanged from FY2025. The fees were recently reviewed and the Directors' fees to take effect from 1 July 2026 are also detailed below.

Annual Directors' fees

	From 1 July 2025 to 30 June 2026[1]	From 1 July 2026[1]
Base fees		
Chair (all-inclusive fee)	235,000	243,500
Other Non-executive directors	120,000	124,500
Committee fees[2]		
Audit and Risk Committee – Chair	10,000	10,000
Audit and Risk Committee – Member	8,000	8,000
Remuneration and Nomination Committee – Chair	10,000	10,000
Remuneration and Nomination Committee – Member	8,000	8,000
Other		
Global Laser Enrichment Holdings LLC – Chair[3] – 6 months	37,500	–
Global Laser Enrichment Holdings LLC – Chair[3] – 12 months	–	75,000

1. Amounts are exclusive of superannuation
2. Payable in event position is held by a non-executive director who is not Chair of the Board
3. Fee of $75,000 p.a. payable in cash from 1 January 2026 to 31 December 2027

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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				
Name	Year	Cash salary and fees[1] $	Annual and long service leave[2] $	Post-employment benefits $	Performance Payments (cash)[1] $	Performance Rights (deferred shares)[3] $	Options[3] $	Total $	Performance related %
Executive directors									
Dr M P Goldsworthy	**2026**	**770,000**	**49,769**	**30,000**	**177,000**	**640,732**	**48,478**	**1,715,979**	**50%**
	2025	770,068	80,649	29,932	–	226,961	76,157	1,183,767	26%
Non-executive directors									
Mr C A Roy	**2026**	**305,200**	**–**	**–**	**–**	**–**	**–**	**305,200**	**–**
	2025	255,269	–	6,756	–	–	–	262,025	–
Ms S J Corlett	**2026**	**138,000**	**–**	**16,560**	**–**	**–**	**–**	**154,560**	**–**
(from 22 Nov 2024)	2025	83,770	–	9,634	–	–	–	93,404	–
Mr C D Wilks	**2026**	**148,240**	**–**	**4,080**	**–**	**–**	**–**	**152,320**	**–**
	2025	136,802	–	15,732	–	–	–	152,534	–
Former directors									
Ms H G Cook	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(until 22 Nov 2024)	2025	54,865	–	6,309	–	–	–	61,174	–
Other KMP and group executives									
Ms J E Russell	**2026**	**395,000**	**18,683**	**30,000**	**144,000**	**327,146**	**11,764**	**926,593**	**52%**
	2025	395,068	19,274	29,932	–	263,744	22,915	730,933	39%
Total executive directors and other KMPs									
	2026	**1,165,000**	**68,452**	**60,000**	**321,000**	**967,878**	**60,242**	**2,642,572**	
	2025	1,165,136	99,923	59,864	–	490,705	99,072	1,914,700	
Total non-executive director remuneration									
	2026	**591,440**	**–**	**20,640**	**–**	**–**	**–**	**612,080**	
	2025	530,706	–	38,431	–	–	–	569,137	
Total KMP remuneration									
	2026	**1,756,440**	**68,452**	**80,640**	**321,000**	**967,878**	**60,242**	**3,254,652**	
	2025	1,695,842	99,923	98,295	–	490,705	99,072	2,483,837	

1. Short-term benefits as per Corporations Regulations 2M 3.03(1) Item 6
2. 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
3. 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 Performance Rights) and Extended LTI (via Performance Rights)

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

A summary of the performance-based remuneration granted and forfeited to executive KMP during FY2026 follows:

	STI (Rights)[1]			STI (Cash)		
Name	Total opportunity $	Awarded %	Forfeited %	Total opportunity $	Awarded %	Forfeited %
Dr M P Goldsworthy	564,116	77%	23%	100,000	77%	23%
Ms J E Russell	213,780	80%	20%	80,000	80%	20%

1. STI (Rights) Awards subject to completion of service-based condition ending 31 July 2026

	LTI (Options)		LTI (Rights)			Extended LTI (Rights)[1]		
Name	Value granted $	Value exercised $	Value granted $	Awarded %	Forfeited %	Value granted $	Awarded %	Forfeited %
Dr M P Goldsworthy	–	1,119,000	682,380	–	–	–	100%	–
Ms J E Russell	–	2,329,850	426,488	–	–	–	25%	–

1. 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 FY2026 of 75,000 rights is with respect to the 3-year performance and service period ended 30 June 2026. 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 %
26/08/2024[1]	31/07/2025	$1.211	0%	–
26/08/2024	31/07/2025	$3.713	65%	65%
25/08/2025	31/07/2026	$3.054	80%[2]	–
17/10/2025	31/07/2026	$6.367	77%[2]	–

1. These rights have market conditions and have been valued using a Monte Carlo simulation approach
2. Award subject to completion of service-based condition ending 31 July 2026

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LTI – Options

A 3-year LTI comprising options over ordinary shares in the Company was provided as remuneration to executive KMP with respect to FY2021 to FY2025 for the CEO and FY2022 to FY2024 for the CFO. 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 to executive KMP 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	100%	100%
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	100%	100%
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. The Performance 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 CFO received an LTI underpinned by Performance Rights for FY2025 with a 3-year performance period ending 30 June 2027. Following shareholder approval at the 2025 AGM for the CEO's multi-year LTI, a FY2026 LTI was issued to both the CEO and CFO, for a 3-year performance period ending 30 June 2028.

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	30/06/2027	$4.076	To be determined	To be determined
17/12/2024[1]	30/06/2027	$2.878	To be determined	To be determined
17/10/2025	31/07/2028	$6.367	To be determined	To be determined
17/10/2025[1]	31/07/2028	$5.006	To be determined	To be determined

1. These rights have market conditions and have been valued using a Monte Carlo simulation approach

Extended LTI – Performance Rights

Extended LTIs in the form of Performance Rights were 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. Following the conclusion of the respective Extended LTIs for the CEO and CFO in FY2026, no further Extended LTIs will be offered.

Grant date	Vesting date	Value per right at grant date $	Performance achieved %	Vested %
14/10/2021	31/12/2025	$1.132	100%	100%
21/06/2022[1]	30/06/2026	$0.835	100%	100%

1. 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 FY2026.

Name and grant date	Balance at the start of the year (Number)	Granted as compensation (Number)	Vested (Number)	Vested %	Exercised (Number)	Balance at end of year: Vested and exercisable (Number)	Balance at end of year: Unvested (Number)
Dr M P Goldsworthy							
14/10/2021	450,000	–	300,000	67%	150,000	150,000	150,000
	450,000	**–**	**300,000**		**150,000**	**150,000**	**150,000**
Ms J E Russell							
24/03/2021	155,000	–	155,000	100%	155,000	–	–
26/07/2021	260,000	–	260,000	100%	160,000	100,000	–
	415,000	**–**	**415,000**		**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 FY2026.

Name and grant date	Balance at the start of the year (Number)	Granted as compensation (Number)	Vested (Number)	Vested %	Forfeited	Forfeited %	Balance at end of year Unvested (Number)
Dr M P Goldsworthy							
14/10/2021	412,500	–	412,500	100%	–	–	–
26/08/2024	75,000	–	45,000	60%	30,000	40%	–
17/10/2025[1]	–	88,600	–	–	–	–	88,600
17/10/2025	–	120,000	–	–	–	–	120,000
	487,500	**208,600**	**457,500**		**30,000**		**208,600**
Ms J E Russell							
21/06/2022[2]	75,000	–	75,000	100%	–	–	–
26/08/2024	70,000	–	42,000	60%	28,000	40%	–
17/12/2024	50,000	–	–	–	–	–	50,000
25/08/2025[3]	–	70,000	–	–	–	–	70,000
17/10/2025	–	75,000	–	–	–	–	75,000
	195,000	**145,000**	**117,000**		**28,000**		**195,000**

1. 77% of the Performance Rights will vest subject to completion of an underlying service-condition on 31 July 2026
2. 75,000 rights vested with respect to the 3-year performance and service period ending 30 June 2026. Shares are pending for issue
3. 80% of the Performance Rights will vest subject to completion of an underlying service-condition on 31 July 2026

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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)
Directors of Silex Systems Limited					
Mr C A Roy	259,507	–	–	(129,507)	130,000
Dr M P Goldsworthy	6,385,118	150,000	457,500	(1,212,500)	5,780,118
Ms S J Corlett	9,842	–	–	–	9,842
Mr C D Wilks	2,833,716	–	–	(850,000)	1,983,716
Other executive KMP					
Ms J E Russell	419,566	315,000	117,000	(235,850)	615,716

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 2026:

Name	Balance at the end of the year (Number)	Target MSR $	MSR Achieved at 30 June 2026[1]	MSR on Track
Non-executive directors of Silex Systems Limited				
Mr C A Roy[2]	130,000	$235,000	Yes	N/A
Ms S J Corlett	9,842	$120,000	No	Yes
Mr C D Wilks	1,983,716	$120,000	Yes	N/A
Other executive KMP				
Dr M P Goldsworthy	5,780,118	$800,000	Yes	N/A
Ms J E Russell	615,716	$425,000	Yes	N/A

1. MSR achievement assessed on basis of Silex's share price of $5.30 as at 30 June 2026
2. Excludes fees payable with regard to the 2-year appointment as Chair of Global Laser Enrichment Holdings LLC ending 31 December 2027

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.

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 non-executive directors. This review was completed in early FY2025. No remuneration recommendations were provided. As the review included multi-year recommendations that were implemented in FY2025, and with respect to equity-incentives for the CEO approved by shareholders at the 2025 AGM, a remuneration consultant was not engaged in FY2026.

l. Voting at the Company's 2025 Annual General Meeting

Silex Systems Limited received more than 99% of "yes" votes on its Remuneration Report for the 2025 financial year.

10. Shares under option

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

Date options granted[1]	Expiry date	Issue price of shares $	Under option (Number)
26/07/2021	Various	0.94	100,000
14/10/2021	Various	0.94	300,000
18/03/2022	17/03/2027	1.19	113,500
17/04/2023	16/04/2028	3.77	530,800
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
27/11/2025	30/06/2030	4.06	120,000
02/12/2025	01/12/2028	5.37	75,000

1. 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 executive 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.

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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 in FY2025 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 46.

16. Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2026/183, 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.



Dr M P Goldsworthy
CEO/MD



Mr C A Roy
Chair

Sydney 27 August 2026

Auditor's Independence Declaration

As lead auditor of Silex Systems Limited's financial report for the year ended 30 June 2026, 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 of the financial report; and

b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report.



Aishwarya Chandran
Partner
PricewaterhouseCoopers

Sydney
27 August 2026

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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 2026 Corporate Governance Statement reflects the corporate governance practices in place throughout the 2026 financial year. The 2026 Corporate Governance Statement was approved by the Board and lodged with the ASX Appendix 4G on 27 August 2026. A description of the Company's current corporate governance practices is set out in the Company's Corporate Governance Statement which can be viewed on the Company's website at www.silex.com.au.

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Annual Financial Report

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Annual Financial Report

For the Financial Year 30 June 2026

Silex Systems Limited

ABN 69 003 372 067

Consolidated Financial Statements

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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
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 2026. 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.

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Consolidated statement of profit or loss

For the year ended 30 June 2026

	Notes	2026 $	2025 $
Revenue from contracts with customers	3	13,708,525	7,267,654
Interest revenue	3	7,877,190	4,936,635
Revenue from continuing operations		**21,585,715**	**12,204,289**
Other income	4	5,157,120	6,409,422
Research and development materials		(2,246,441)	(4,955,346)
Finance costs	5	(67,597)	(90,578)
Depreciation and amortisation expense	5	(505,603)	(496,596)
Employee benefits expense		(12,659,376)	(10,697,353)
Consultants and professional fees		(1,572,645)	(2,047,149)
Printing, postage, freight, stationery and communications		(62,104)	(74,352)
Property outgoings		(107,186)	(89,825)
Net foreign exchange gains and (losses)	5	(1,631,010)	294,832
Share of net loss of associates and joint ventures accounted for using the equity method	15(b)	(45,465,291)	(41,740,072)
Other expenses from continuing activities		(1,046,265)	(1,274,508)
(Loss) before income tax expense		**(38,620,683)**	**(42,557,236)**
Income tax expense	6	–	–
Net (loss) from continuing operations		(38,620,683)	(42,557,236)
Net (loss) for the year		**(38,620,683)**	**(42,557,236)**
Net (loss) is attributable to:			
Owners of Silex Systems Limited		**(38,620,683)**	**(42,557,236)**

	Notes	2026 Cents	2025 Cents
Earnings per share for (loss) from continuing operations attributable to the ordinary equity holders of the Company			
Basic earnings per share	21	(14.2)	(17.9)
Diluted earnings per share	21	(14.2)	(17.9)
Earnings per share for (loss) attributable to the ordinary equity holders of the Company			
Basic earnings per share	21	(14.2)	(17.9)
Diluted earnings per share	21	(14.2)	(17.9)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes

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Consolidated statement of comprehensive income

For the year ended 30 June 2026

	Notes	2026 $	2025 $
Net (loss) for the year		**(38,620,683)**	**(42,557,236)**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(1,135,478)	744,832
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)	4,569,107	(2,573,925)
Other comprehensive income/(loss) for the year, net of tax		**3,433,629**	**(1,829,093)**
Total comprehensive income/(loss) for the year		**(35,187,054)**	**(44,386,329)**
Attributable to:			
Owners of Silex Systems Limited		(35,187,054)	(44,386,329)
Total comprehensive income/(loss) for the year		**(35,187,054)**	**(44,386,329)**

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

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Consolidated statement of financial position

As at 30 June 2026

	Notes	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	7(a)	16,033,107	19,750,436
Other financial assets at amortised cost - term deposits	7(b)	164,711,632	37,100,000
Financial assets at fair value through profit or loss – dual currency term deposits	7(b)	–	23,704,684
Trade and other receivables	7(c)	8,591,213	6,638,679
Other current assets	7(d)	783,447	597,120
Financial assets at fair value through other comprehensive income	7(e)	–	1,403,516
Derivative financial instruments	7(f)	81,630	476,415
Total current assets		**190,201,029**	**89,670,850**
Non-current assets			
Investments accounted for using the equity method	15(b)	16,995,520	8,047,420
Right-of-use assets	9(a)	564,541	842,108
Property, plant and equipment	7(g)	311,244	399,110
Total non-current assets		**17,871,305**	**9,288,638**
Total assets		**208,072,334**	**98,959,488**
Liabilities			
Current liabilities			
Trade and other payables	8(a)	5,182,737	6,039,212
Lease liabilities	9(a)	306,735	281,066
Provisions	8(b)	965,751	953,030
Total current liabilities		**6,455,223**	**7,273,308**
Non-current liabilities			
Lease liabilities	9(a)	335,462	629,138
Provisions	8(b)	85,052	109,175
Total non-current liabilities		**420,514**	**738,313**
Total liabilities		**6,875,737**	**8,011,621**
Net assets		**201,196,597**	**90,947,867**
Equity			
Contributed equity	10(a)	539,792,843	392,701,992
Reserves	10(b)	17,001,474	12,939,064
Accumulated losses	10(c)	(355,597,720)	(314,693,189)
Total equity		**201,196,597**	**90,947,867**

The above consolidated statement of financial position 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 2026

	Attributable to owners of Silex Systems Limited			
	Contributed equity $	Reserves $	Accumulated losses $	Total $
Balance at 30 June 2024	**390,665,622**	**13,408,671**	**(272,135,953)**	**131,938,340**
Net (loss) for the year	–	–	(42,557,236)	(42,557,236)
Other comprehensive income/(loss)	–	(1,829,093)	–	(1,829,093)
Total comprehensive income/(loss) for the year	**–**	**(1,829,093)**	**(42,557,236)**	**(44,386,329)**
Transactions with owners in their capacity as owners				
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)	–	–
	2,036,370	**1,359,486**	**–**	**3,395,856**
Balance at 30 June 2025	**392,701,992**	**12,939,064**	**(314,693,189)**	**90,947,867**
Net (loss) for the year	–	–	(38,620,683)	(38,620,683)
Other comprehensive income	–	3,433,629	–	3,433,629
Total comprehensive income/(loss) for the year	**–**	**3,433,629**	**(38,620,683)**	**(35,187,054)**
Transactions with owners in their capacity as owners				
Contributions of equity net of transaction costs	144,230,290	–	–	144,230,290
Transfer of (loss) on disposal of equity investments at fair value through other comprehensive income to accumulated losses	–	–	(2,283,848)	(2,283,848)
Share-based payments – value of services	–	3,489,342	–	3,489,342
Transfer from share-based payments reserve	2,860,561	(2,860,561)	–	–
	147,090,851	**628,781**	**(2,283,848)**	**145,435,784**
Balance at 30 June 2026	**539,792,843**	**17,001,474**	**(355,597,720)**	**201,196,597**

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 2026

	Notes	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers and government grants (inclusive of GST)		19,639,802	17,027,104
Payments to suppliers and employees (inclusive of GST)		(16,684,374)	(20,018,219)
Interest received		5,296,849	6,098,360
Interest paid		(67,597)	(90,578)
Net cash inflows from operating activities	11(a)	**8,184,680**	**3,016,667**
Cash flows from investing activities			
Payments for investments accounted for using the equity method		(55,088,943)	(35,851,480)
Payments for other financial assets at amortised cost – term deposits		(275,411,632)	(14,000,000)
Proceeds from other financial assets at amortised cost – term deposits		147,800,000	71,100,000
Payments for financial assets at fair value through profit or loss – dual currency term deposits		(81,463,860)	(116,851,460)
Proceeds from financial assets at fair value through profit or loss – dual currency term deposits		105,168,544	93,146,776
Proceeds from financial assets at fair value through other comprehensive income		3,432,540	–
Payments for property, plant and equipment	7(g)	(107,663)	(161,274)
Proceeds from sale of property, plant and equipment		–	4,321
Net cash (outflows) from investing activities		**(155,671,014)**	**(2,613,117)**
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs	10(a)	144,230,290	697,777
Repayment of principal elements of leases		(301,861)	(294,719)
Net cash inflows from financing activities		**143,928,429**	**403,058**
Net (decrease)/increase in cash and cash equivalents		**(3,557,905)**	**806,608**
Cash and cash equivalents at the beginning of the financial year		19,750,436	18,889,379
Effects of exchange rate changes on cash		(159,424)	54,449
Cash and cash equivalents at end of year[1, 2]		**16,033,107**	**19,750,436**
Non-cash financing and investing activities	11(b)		
1. Term deposits excluded from cash and cash equivalents		164,711,632	37,100,000
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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Note 1

Significant changes in the current reporting period

Share capital increased by $147,090,851 (from $392,701,992 to $539,792,843) as a result of the August 2025 institutional placement, SPP, and the various issues of shares on the exercise of performance rights and options granted under the Silex Systems Limited Employee Incentive Plan. Details of the changes in share capital are disclosed in note 10(a) to the consolidated financial statements.

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. The main activities of the Silex Systems operating segment are to conduct development and commercialisation activities across the SILEX laser-based uranium enrichment technology project, silicon enrichment project and other early-stage research activities in the stable isotope project. Translucent is based in North Carolina and is entitled to royalty revenue for the sale of the cREO® technology in 2018. Silex USA is also based in North Carolina and indirectly holds the equity accounted investment in GLE, and the corresponding share of the 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 2026 is as follows:

2026	Silex Systems $	Translucent $	Silex USA $	Total $
Total segment revenue	13,283,319	2,087,385	–	15,370,704
Inter-segment revenue eliminated	–	(1,662,179)	–	(1,662,179)
Revenue from external customers	**13,283,319**	**425,206**	**–**	**13,708,525**
Interest revenue	**7,877,190**	**–**	**–**	**7,877,190**
Revenue from continuing operations	**21,160,509**	**425,206**	**–**	**21,585,715**
Segment result	**6,428,743**	**456,234**	**(45,505,660)**	**(38,620,683)**
Other profit and loss disclosures				
Depreciation and amortisation	505,603	–	–	505,603
Interest expense	67,597	–	–	67,597
Income tax expense	–	–	–	–
Share of net loss of joint venture using the equity method	–	–	45,465,291	45,465,291
Total segment assets	**186,917,992**	**3,883,389**	**17,270,953**	**208,072,334**
Total assets include:				
Additions to non-current assets (other than deferred tax and investments in joint ventures)	141,517	–	–	141,517
Amount invested in joint ventures accounted for using the equity method	–	–	55,088,943	55,088,943
Total segment liabilities	**6,532,211**	**2,880**	**340,646**	**6,875,737**

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Note 2 (b)**Segment information provided to Management and the Board of Directors** (continued)

2025	Silex Systems $	Translucent $	Silex USA $	Total $
Total segment revenue	6,850,523	2,023,423	–	8,873,946
Inter-segment revenue eliminated	(58,126)	(1,548,166)	–	(1,606,292)
Revenue from external customers	**6,792,397**	**475,257**	**–**	**7,267,654**
Interest revenue	**4,936,635**	**–**	**–**	**4,936,635**
Revenue from continuing operations	**11,729,032**	**475,257**	**–**	**12,204,289**
Segment result	**(693,412)**	**410,238**	**(42,274,062)**	**(42,557,236)**
Other profit and loss disclosures				
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
Total segment assets	**86,065,685**	**4,836,383**	**8,057,420**	**98,959,488**
Total assets include:				
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
Total segment liabilities	**7,909,636**	**14,594**	**87,391**	**8,011,621**

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 $13,283,319 (2025: $6,792,397) and the total segment revenue from external customers in Wales, United Kingdom is $425,206 (2025: $475,257).

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 is the profit/(loss) before tax for each operating segment.

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 statement of financial position for both periods.

The total of non-current assets located in Australia is $814,279 (2025: $1,152,275) and the total of these non-current assets located in the United States is $17,057,026 (2025: $8,136,363).

iv. Segment liabilities

Reportable segment liabilities exclude intercompany loans, income tax payable and deferred tax liabilities. Segment liabilities agree to the consolidated statement of financial position for both periods.

Note 3
Revenue from continuing operations

	2026 $	2025 $
Milestone revenue	7,577,020	–
Recoverable project costs	5,706,299	6,792,397
Royalty revenue - sale of cREO® technology	425,206	475,257
	13,708,525	**7,267,654**
Interest revenue	7,877,190	4,936,635
	21,585,715	**12,204,289**

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 are recorded as revenue when the related costs are incurred. The performance obligation is to provide technology development activities. The obligation is fulfilled as and when the activities occur, under the exclusive Licence Agreement for the SILEX uranium enrichment technology.

Revenues of $5,706,299 (2025: $6,792,397) were derived from GLE for recoverable project costs on the uranium enrichment project. GLE is based in the United States. Because the customer simultaneously receives and consumes the benefits of the activities, the revenue is recognised over time. The Company applies the practical expedient in AASB 15 *Revenue from Contracts with Customers* and recognises revenue at the amount it has a right to invoice. Therefore, revenue recognised equals the costs incurred by Silex during the period. This corresponds to the value transferred to the licensee in accordance with the Licence Agreement.

ii. Milestone revenue

Milestone revenue represents revenue in accordance with the exclusive Licence Agreement for the SILEX uranium enrichment technology. Milestone revenue is recognised when it is highly probable that a significant reversal of revenue will not occur. The constraint is lifted when the milestone is achieved and, in this case, when independent verification of TRL-6 was achieved in October 2025, the revenue was recognised.

iii. 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. 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 $425,206 was recognised during the year (2025: $475,257). IQE Plc is based in Wales, United Kingdom. The revenue is currently recognised at a point in time and estimated at each reporting date.

iv. 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.

Note 4
Other income

	2026 $	2025 $
Research and development tax incentive	3,130,054	4,209,827
Government grants – Defence Trailblazer[1]	1,230,438	1,517,909
Other income – project subsidies	796,628	681,686
	5,157,120	**6,409,422**

1. Defence Trailblazer for Concept to Sovereign Capability Program

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.

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Note 5

Expenses

Net (loss) from continuing operations before income tax includes the following expenses:

	2026 $	2025 $
Depreciation of plant and equipment – refer note 7(g)	194,183	184,352
Depreciation on right-of-use assets – refer note 9(b)	311,420	312,244
Total depreciation and amortisation	**505,603**	**496,596**
Finance costs		
Interest and finance charges paid/payable	67,597	90,578
Finance costs expensed	**67,597**	**90,578**
Defined contribution superannuation expense	617,847	570,032
Foreign exchange losses/(gains) (net)	1,631,010	(294,832)

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

	2026 $	2025 $
(Loss) before income tax expense	(38,620,683)	(42,557,236)
Income tax calculated @ 25.0%	(9,655,171)	(10,639,309)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	872,336	674,520
Research and development tax incentive	1,297,939	2,511,748
Sundry items	4,000	4,000
	(7,480,896)	(7,449,041)
Net deferred tax asset not recognised	6,805,155	6,821,084
Difference in overseas tax rates	675,741	627,957
Income tax expense	–	–

b. Tax losses

	2026 $	2025 $
Unused tax losses for which no deferred tax asset has been recognised	235,557,333	222,126,813
Potential tax benefit at tax rate	**55,275,619**	**52,394,799**

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:

i. 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;
ii. the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and
iii. no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

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Note 7

Assets

This note provides information about the Company's assets.

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

	2026 $	2025 $
Cash at bank	**16,033,107**	**19,750,436**

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

	2026 $	2025 $
Bank deposits – term deposits	**164,711,632**	**37,100,000**

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 2026 earn interest at between 3.69% and 5.45% (2025: between 4.15% and 5.40%).

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

	2026 $	2025 $
Level 2[1]		
Bank deposits – dual currency term deposits	**–**	**23,704,684**

1. 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 held at 30 June 2025 had maturities of 2 months or less. They were held to collect the contractual cash flows. There were no deposits at 30 June 2026 (2025: deposits earned interest at between 8.00% and 9.00%).

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Note 7(c) Current assets – Trade and other receivables

	2026 $	2025 $
Trade receivables from contracts with customers	1,097,302	875,442
Accrued income – other	7,473,535	5,745,132
Other receivables	20,376	18,105
	8,591,213	**6,638,679**

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(b).

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(c) for information on credit risk.

Note 7(d) Current assets – Other current assets

	2026 $	2025 $
Prepayments	**783,447**	**597,120**

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

	2026 $	2025 $
Level 1[1]		
Listed securities		
Equity securities – shares in IQE Plc	**–**	**1,403,516**

1. 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.

On 15 April 2026, the Company sold its remaining shares in IQE Plc and received $3,432,540 (US$2,450,147). The gain is included in other comprehensive income. Refer also to point (ii) below.

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 statement of profit or loss. The shares are classified as Level 1 in the fair value hierarchy. There were no dividends received during the current or prior years. The IQE shares were disposed on 15 April 2026, with the remaining reserve being reallocated to accumulated losses.

ii. Amounts recognised in other comprehensive income
During the year, the following gains/(losses) were recognised in other comprehensive income:

	2026 $	2025 $
Gains/(losses) recognised in other comprehensive income – refer note 10(b)	**4,569,107**	**(2,573,925)**

Note 7(f) Current assets – Derivative financial instruments

	2026 $	2025 $
Foreign currency forwards – refer note 13(a)	**81,630**	**476,415**

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

	Plant and equipment $	Motor vehicles $	Total $
At 30 June 2024			
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**
Year ended 30 June 2025			
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**
At 30 June 2025			
Cost	1,699,252	103,787	1,803,039
Accumulated depreciation	(1,355,122)	(48,807)	(1,403,929)
Net book amount	**344,130**	**54,980**	**399,110**
Year ended 30 June 2026			
Opening net book amount	344,130	54,980	399,110
Additions	107,663	–	107,663
Disposals	–	–	–
Depreciation charge	(176,751)	(17,432)	(194,183)
Exchange differences	–	(1,346)	(1,346)
Closing net book value	**275,042**	**36,202**	**311,244**
At 30 June 2026			
Cost	1,806,639	101,351	1,907,990
Accumulated depreciation	(1,531,597)	(65,149)	(1,596,746)
Net book amount	**275,042**	**36,202**	**311,244**

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 statement of profit or loss 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 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 statement of profit or loss. When revalued assets are sold, it is Company policy to transfer the amounts included in other reserves in respect of those assets to accumulated losses.

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Note 7(h) **Deferred tax assets**

	2026 $	2025 $
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss		
Provision for employee entitlements, warranties, restructuring and decommissioning	262,701	265,551
Payables and other provisions	1,924,241	955,647
Financial assets at fair value through other comprehensive income	–	793,278
Lease liabilities	160,549	227,551
Depreciation and amortisation	297,668	277,054
Credit losses	102,635	107,634
Foreign currency cash balances	10,809	32,448
Tax losses	55,275,619	52,394,799
	58,034,222	**55,053,962**
Set off deferred tax liabilities pursuant to set-off provisions	(1,252,272)	(652,810)
Net deferred tax assets not recognised	(56,781,950)	(54,401,152)
Net deferred tax assets	–	–

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) **Current liabilities – Trade and other payables**

	2026 $	2025 $
Trade creditors	1,224,324	1,092,579
Unearned income	3,489,944	4,407,591
Other payables	468,469	539,042
	5,182,737	**6,039,212**

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 expected to be taken or paid within the next 12 months:

	2026 $	2025 $
Current annual leave obligations expected to be settled after 12 months	**65,136**	**47,736**

ii. Risk exposure

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

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Note 8(b) **Provisions**

	2026			2025		
	Current $	Non-current $	Total $	Current $	Non-current $	Total $
Employee benefits – long service leave	819,670	45,052	864,722	806,949	69,175	876,124
Other	146,081	40,000	186,081	146,081	40,000	186,081
	965,751	**85,052**	**1,050,803**	**953,030**	**109,175**	**1,062,205**

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 present component of $819,670 (2025: $806,949) 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 expected to be taken or paid within the next 12 months.

	2026 $	2025 $
Current long service leave obligations expected to be settled after 12 months	**737,703**	**737,015**

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
Carrying amount at end of the year	**186,081**

The Company is 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. Provision is also 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.

Note 8(c) **Non-current liabilities – Deferred tax liabilities**

	2026 $	2025 $
The balance comprising temporary differences attributable to:		
Right-of-use assets	146,388	210,527
Accrued income	1,105,884	442,283
	1,252,272	**652,810**
Set off deferred tax liabilities pursuant to set-off provisions	(1,252,272)	(652,810)
Net deferred tax liabilities	–	–

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Note 9
Leases

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

Note 9(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2026 $	2025 $
Right-of-use assets		
Buildings	**564,541**	**842,108**
Lease liabilities		
Current	306,735	281,066
Non-current	335,462	629,138
	642,197	**910,204**

Additions to the right-of-use assets during the current year were $nil (2025: $nil). Increases to right-of-use assets as a result of lease modifications were $33,854 (2025: $22,949).

Note 9(b) Amounts recognised in the consolidated statement of profit or loss

The consolidated statement of profit or loss shows the following amounts related to leases:

	2026 $	2025 $
Depreciation charge on right-of-use assets		
Buildings	**311,420**	**312,244**
Interest expense (included in finance costs)	**67,597**	**90,578**

The total cash outflow for leases during the current year was $369,458 (2025: $385,297).

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.

Note 10
Equity

The note provides information about the Company's equity.

Note 10(a) Contributed equity

i. Share capital

	Parent entity		Parent entity	
	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares				
Fully paid	**278,438,291**	238,105,724	**539,792,843**	392,701,992

ii. Movements in ordinary share capital

Date	Details	Number of shares	$
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)
30 June 2025	**Balance**	**238,105,724**	**392,701,992**
14 August 2025	Issue of shares – capital raise	33,333,334	130,000,003
5 September 2025	Issue of shares – share purchase plan	4,978,649	19,413,788
Various	Issue of shares – performance rights	841,534	1,915,895
Various	Issue of shares – options exercise	1,179,050	1,627,458
Various	Transfer from share-based payments reserve – options	–	944,666
		278,438,291	546,603,802
Less:	Transaction costs arising on share issues	–	(6,810,959)
30 June 2026	**Balance**	**278,438,291**	**539,792,843**

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).

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Note 10(b) **Reserves**

	2026 $	2025 $
Foreign currency translation reserve	(279,974)	855,504
Revaluation – Fair value through other comprehensive income	–	(4,569,107)
Transactions with non-controlling interests	(2,906,913)	(2,906,913)
Share-based payments reserve	20,188,361	19,559,580
	17,001,474	**12,939,064**

i. Movements in reserves

Foreign currency translation reserve	2026 $	2025 $
Balance at the beginning of the financial year	855,504	110,672
Net exchange differences on translation of foreign controlled entities	(1,135,478)	744,832
Balance at the end of the financial year	**(279,974)**	**855,504**

Revaluation – Fair value through other comprehensive income	2026 $	2025 $
Balance at the beginning of the financial year	(4,569,107)	(1,995,182)
Differences on revaluation	2,285,259	(2,573,925)
Transfer to accumulated losses	2,283,848	–
Balance at the end of the financial year	**–**	**(4,569,107)**

Transactions with non-controlling interests	2026 $	2025 $
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	2026 $	2025 $
Balance at the beginning of the financial year	19,559,580	18,200,094
Share-based payment expense	3,489,342	2,698,079
Transfer to share capital	(2,860,561)	(1,338,593)
Balance at the end of the financial year	**20,188,361**	**19,559,580**

ii. Nature and purpose of reserves

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in note 23(c). The reserve is recognised in profit or 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. The investment in IQE shares was disposed on 15 April 2026, with the remaining reserve being reallocated to accumulated losses.

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.

Note 10(c) **Accumulated losses**

	2026 $	2025 $
Accumulated losses at the beginning of the financial year	(314,693,189)	(272,135,953)
Reclassification of loss on disposal of equity instruments at fair value through other comprehensive income	(2,283,848)	–
Net (loss) attributable to members of Silex Systems Limited	(38,620,683)	(42,557,236)
Accumulated losses at the end of the financial year	**(355,597,720)**	**(314,693,189)**

Note 11

Cash flow information

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

	2026 $	2025 $
Net (loss) after income tax	(38,620,683)	(42,557,236)
Adjustments for:		
Depreciation and amortisation	505,603	496,596
Non cash benefits expense – share-based payments	3,489,342	2,698,079
Net exchange differences	(42,920)	(47,824)
Share of net losses of joint ventures	45,465,291	41,740,072
Decrease in prepayments and other current assets	208,458	56,240
(Increase)/decrease in trade and other debtors	(224,131)	2,006,121
(Increase) in accrued income - other	(1,728,403)	(35,821)
(Decrease) in trade and other creditors	(856,475)	(1,429,758)
(Decrease)/increase in provisions	(11,402)	90,198
Net cash inflows from operating activities	**8,184,680**	**3,016,667**

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.

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 Company 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).

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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 consolidated statement of profit or loss immediately.

The Company's policy is to hedge a proportion of its anticipated cash flows in USD. At year end, the Company held US$8,000,000 in forward exchange contracts (contracted at AU$11,564,898) with contractual dates up to October 2026 (2025: US$14,100,000 of forward exchange contracts (contracted at AU$21,050,303) with contractual dates up to November 2025) 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 $81,630 (2025: $476,415) and is recorded in Current assets – Derivative financial instruments.

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:

	2026 AUD	2025 AUD
Cash and cash equivalents	4,429,450	14,514,675
Financial assets at fair value through profit or loss – dual currency term deposits	–	23,704,684
Trade and other receivables	926,830	917,023
Trade and other payables	60,867	17,691
Forward exchange contracts – buy foreign currency	11,564,898	21,050,303

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	
	2026 $	2025 $	2026 $	2025 $
AUD/USD – increase by 15%	(2,209,818)	(5,998,242)	(2,209,818)	(5,998,242)
AUD/USD – decrease by 15%	2,989,754	9,113,894	2,989,754	9,113,894

Note 13 **Financial risk management** continued

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 2026		30 June 2025	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	$	%	$
Cash and cash equivalents	3.73	12,157,460	3.78	16,317,569

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	
	2026 $	2025 $	2026 $	2025 $
Interest rates – increase by 1.00%	116,910	127,239	116,910	127,239
Interest rates – decrease by 1.00%	(116,910)	(127,239)	(116,910)	(127,239)

iii. Price risk

The Company does not hold any investments that are exposed to price risk.

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 *Financial Instruments*, 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 2026 (and at 30 June 2025).

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	2026 $	2025 $
ANZ Banking Group Limited	76,869,092	46,122,253
Westpac Banking Corporation	55,000,000	20,000,000
National Australia Bank	35,000,000	11,000,000
Macquarie Group Limited	10,000,000	–
Bank of America	3,875,647	3,432,867
	180,744,739	**80,555,120**

Trade and other receivables are also subject to the expected credit loss model. Trade receivables include $436,745 (2025: $458,015) for royalties from the sale of the Company's cREO® technology. Impairment losses for trade and other receivables were immaterial at 30 June 2026 (and at 30 June 2025).

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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:

Floating rate	2026 $	2025 $
Expiring within one year (documentary credit facility and visa facility)	**200,000**	**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 2026	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 $
Non-derivatives							
Non-interest bearing	1,077,445	–	–	–	–	1,077,445	1,077,445
Lease liabilities	163,349	191,564	354,470	–	–	709,383	642,197
Total non-derivatives	**1,240,794**	**191,564**	**354,470**	**–**	**–**	**1,786,828**	**1,719,642**

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 $
Non-derivatives							
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
Total non-derivatives	**1,271,837**	**184,588**	**346,367**	**347,045**	**–**	**2,149,837**	**2,024,783**

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 2026 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.

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	2026 %	2025 %
Translucent Inc	US	Ordinary	100%	100%
		Total	**100%**	**100%**
Silex USA LLC	US	Interest	100%	100%
		Total	**100%**	**100%**

b. Interests in joint ventures

Set out below are details of the Global Laser Enrichment Holdings LLC (GLEH) joint venture as at 30 June 2026, which is material to the Company:

		Ownership interest				Carrying amount	
Name of entity	Place of business/ country of incorporation	2026 %	2025 %	Nature of relationship	Measurement method	2026 $	2025 $
Global Laser Enrichment Holdings LLC	US	51%	51%	Joint venture	Equity method	16,995,520	8,047,420

GLEH 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 GLEH.

i. Significant judgement: existence of joint control

In accordance with the Amended and Restated Limited Liability Company Agreement of GLEH, decisions of the Governing Board are based on the voting of percentage of interests held by the GLEH 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 GLEH with Cameco.

ii. Commitments and contingent liabilities in respect of the GLEH joint venture

	2026 $	2025 $
Commitments – joint ventures		
Commitments to provide funding for joint venture's capital commitments, if called	25,986,315	34,259,542
Contingent liabilities – joint venture		
Share of joint venture's contingent liabilities	3,545,511	4,112,266

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.

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Note 15 b. **Interests in joint ventures** (continued)

iii. Summarised financial information for GLEH joint venture

The tables below provide summarised financial information for the GLEH joint venture. The information disclosed reflects the amounts presented in the financial statements of GLEH 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 statement of financial position	2026 $	2025 $
Current assets		
Cash and cash equivalents	24,308,400	6,458,805
Other current assets	8,044,982	5,020,139
Total current assets	32,353,382	11,478,944
Non-current assets	23,715,552	26,691,342
Total assets	**56,068,934**	**38,170,286**
Current liabilities		
Lease liabilities	640,100	1,283,356
Other current liabilities	9,338,926	8,601,333
Total current liabilities	9,979,026	9,884,689
Non-current liabilities		
Lease liabilities	4,492,249	5,289,296
Other non-current liabilities	8,273,110	7,217,047
Total non-current liabilities	12,765,359	12,506,343
Total liabilities	**22,744,385**	**22,391,032**
Net assets	**33,324,549**	**15,779,254**

Reconciliation to carrying amounts	2026 $	2025 $
Opening net assets	15,779,254	26,018,069
Additional capital contributed	108,017,536	70,297,020
(Loss) for the period	(89,147,630)	(81,843,279)
Other comprehensive income/(loss)	(1,324,611)	1,307,444
Closing net assets	**33,324,549**	**15,779,254**
Company's share in %	51%	51%
Company's share in $	16,995,520	8,047,420
Carrying amount	**16,995,520**	**8,047,420**

Summarised statement of comprehensive income	2026 $	2025 $
Revenue	356,608	-
Interest income	596,618	639,239
Depreciation and amortisation	(3,928,317)	(3,694,106)
Interest expense	(447,128)	(497,473)
Income tax expense	–	–
(Loss) from continuing operations	**(89,147,630)**	**(81,843,279)**
(Loss) for the period	**(89,147,630)**	**(81,843,279)**
Other comprehensive income/(loss)	**(1,324,611)**	**1,307,444**
Total comprehensive income/(loss)	**(90,472,241)**	**(80,535,835)**
Company's share in %	51%	51%
Company's share in $	(45,465,291)	(41,740,072)
Company's share of net (loss) for the period	**(45,465,291)**	(41,740,072)

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 (2025: $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 2026, the Company's 51% share of the parent company guarantee was $3,545,511 (2025: $4,112,266). The guarantee will reduce over the term of the lease.

Note 17

Events occurring after the reporting date

The consolidated entity is not aware of any matters or circumstances which are not otherwise dealt with in the consolidated 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.

Note 18

Related party transactions

a. Subsidiaries

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

b. Key management personnel compensation

	2026 $	2025 $
Short-term employee benefits	2,077,440	1,695,842
Post-employment benefits	80,640	98,295
Long-term benefits	68,452	99,923
Share-based payments	1,028,120	589,777
	3,254,652	**2,483,837**

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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 2025 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 become exercisable at the conclusion of the vesting period. The options can be exercised up to two years after the vesting period. The contractual term of each option granted is up to five years. The options lapse if the holder ceases to be an eligible employee, 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 an option 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 – 2026

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)
24/03/2021	23/03/2026	120	384,500	–	(7,500)	(377,000)	–	–
26/07/2021	28/10/2026	94	60,000	–	–	(60,000)	–	–
26/07/2021	30/06/2027	94	100,000	–	–	(100,000)	–	–
26/07/2021	30/06/2028	94	100,000	–	–	–	100,000	100,000
14/10/2021	28/10/2027	94	150,000	–	–	(150,000)	–	–
14/10/2021	28/10/2028	94	150,000	–	–	–	150,000	150,000
14/10/2021	28/10/2029	94	150,000	–	–	–	150,000	–
18/03/2022	17/03/2027	119	490,000	–	–	(376,500)	113,500	113,500
17/04/2023	16/04/2028	377	650,000	–	(3,650)	(115,550)	530,800	530,800
23/04/2024	22/04/2029	500	650,000	–	–	–	650,000	–
27/11/2025	30/06/2030	406	–	120,000	–	–	120,000	–
			2,884,500	**120,000**	**(11,150)**	**(1,179,050)**	**1,814,300**	**894,300**
Weighted average exercise price			**$2.57**	**$4.06**	**$2.04**	**$1.38**	**$3.44**	**$2.65**

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

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	–
			3,763,750	**–**	**(15,050)**	**(864,200)**	**2,884,500**	**1,184,500**
Weighted average exercise price			**$2.16**	**–**	**$0.80**	**$0.82**	**$2.57**	**$1.13**

The market price of shares under option at 30 June 2026 was $5.30 (2025: $4.22). The weighted average remaining contractual life of share options outstanding at the end of the period was 2.4 years (2025: 2.6 years).

Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 30 June 2026 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.

Set out below is a summary of options granted under the Plan during the year ended 30 June 2026, together with the model inputs applied to assess the fair value of options at grant date. No options were granted under the Plan during the year ended 30 June 2025.

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
553.05	27/11/2025	01/07/2028	406	30/06/2030	838	63	-	3.89	1,190

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

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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. The rights lapse if the holder ceases to be an eligible employee, unless the Board determines otherwise in its absolute discretion.

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

Consolidated and parent entity – 2026

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	150,000	–	–	(75,000)	75,000
29/09/2023	nil	131,000	–	(15,963)	(106,537)	8,500
26/08/2024	nil	175,000	–	(65,500)	(109,500)	–
18/10/2024	nil	325,000	–	(173,703)	(137,997)	13,300
17/12/2024	nil	70,000	–	–	–	70,000
25/08/2025	nil	–	135,000	–	–	135,000
17/10/2025	nil	–	283,600	–	–	283,600
03/12/2025	nil	–	170,000	–	–	170,000
		1,263,500	**588,600**	**(255,166)**	**(841,534)**	**755,400**

The following table lists the model inputs for the rights granted during the year ended 30 June 2026. The rights were granted for $nil consideration.

Grant date	25 August 2025	25 August 2025	17 October 2025	17 October 2025	3 December 2025
Model used	–	Monte Carlo	–	Monte Carlo	–
Market conditions	No	Yes	No	Yes	No
Exercise price	$nil	$nil	$nil	$nil	$nil
Vesting date[1]	31/07/2026 and 31/07/2028	31/07/2028	31/07/2026 and 31/07/2028	31/07/2028	31/07/2026
Share price at grant date	$3.77	$3.77	$7.86	$7.86	$8.71
Expected dividend yield (%)	nil	nil	nil	nil	nil
Expected volatility (%)	N/A	86%	N/A	81%	N/A
Risk-free interest rate (%)	N/A	3.36%	N/A	3.30%	N/A
DLOM[2] (%)	19%	19%	19%	19%	0%
Fair value	**$3.054**	**$2.130**	**$6.367**	**$5.006**	**$8.710**

1. Multiple vesting dates where rights issue contains both a short-term and long-term incentive component
2. Discount for lack of marketability (DLOM) applied as the rights have a two-year restriction on trading following conversion of vested rights to ordinary shares

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

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
		1,122,500	**570,000**	**(62,977)**	**(366,023)**	**1,263,500**

The following table lists the model inputs for the rights granted during the year ended 30 June 2025. The rights were granted for $nil consideration.

Grant date	26 August 2024	26 August 2024	18 October 2024	17 December 2024	17 December 2024
Model used	–	Monte Carlo	–	–	Monte Carlo
Market conditions	No	Yes	No	No	Yes
Exercise price	$nil	$nil	$nil	$nil	$nil
Vesting date	31/07/2025	31/07/2025	31/07/2025	30/06/2027	30/06/2027
Share price at grant date	$4.42	$4.42	$5.06	$5.16	$5.16
Expected dividend yield (%)	nil	nil	nil	nil	nil
Expected volatility (%)	N/A	52%	N/A	N/A	66%
Risk-free interest rate (%)	N/A	3.57%	N/A	N/A	3.85%
DLOM[1] (%)	16%	16%	8%	21%	21%
Fair value	**$3.713**	**$1.211**	**$4.655**	**$4.076**	**$2.878**

1. Discount for lack of marketability (DLOM) applied. The rights granted on 26 August 2024 and 17 December 2024 have a two-year restriction on trading following conversion of vested rights to ordinary shares. The rights granted on 18 October 2024 have a one-year restriction on trading following conversion of vested rights to ordinary shares

d. Options issued to consultants

At 30 June 2026, a total of 200,000 options were on issue to a consultant of the Company.

Grant date	25 August 2022	19 December 2023	5 December 2024	2 December 2025
Model used	Binomial	Binomial	Binomial	Binomial
Exercise price	$3.19	$3.47	$4.50	$5.37
Share price at grant date	$3.71	$4.19	$6.07	$8.42
Expected volatility (%)	80%	60%	72%	63%
Risk-free interest rate (%)	3.15%	3.87%	3.86%	3.95%
Days to expiration	730	730	730	1,095
Fair value at grant date	**$1.820**	**$1.781**	**$3.109**	**$4.933**
Options granted	50,000	50,000	75,000	75,000
Options exercisable	50,000	50,000	75,000	37,500
Options cancelled	(50,000)	–	–	–
Options exercised	–	–	–	–
Options remaining	**–**	**50,000**	**75,000**	**75,000**

e. 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:

	2026 $	2025 $
Options granted and to be granted	1,444,762	1,317,693
Performance rights granted and to be granted	2,044,580	1,380,386
	3,489,342	**2,698,079**

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Note 20

Remuneration 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:

Auditors of the Company – PwC	2026 $	2025 $
Audit and review of financial reports		
Company	151,520	118,750
Total remuneration for audit and assurance services	151,520	118,750
Other services		
Consulting services	–	22,500
Total services provided by PwC	**151,520**	**141,250**

Note 21

Earnings per share

a. Basic earnings per share

	2026 Cents	2025 Cents
Total basic earnings per share attributable to the ordinary equity holders of the Company	(14.2)	(17.9)

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

	2026 Cents	2025 Cents
Total diluted earnings per share attributable to the ordinary equity holders of the Company	(14.2)	(17.9)

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

Basic earnings per share	2026 $	2025 $
(Loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	(38,620,683)	(42,557,236)

Diluted earnings per share	2026 $	2025 $
(Loss) attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	(38,620,683)	(42,557,236)

d. Weighted average number of shares used in the denominator

	2026 (Number)	2025 (Number)
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	272,544,201	237,492,255
Weighted average number of ordinary shares on issue used in the calculation of diluted earnings per share	272,544,201	237,492,255

e. Information concerning the classification of securities

Options and 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 2026. The options and rights could potentially dilute basic earnings per share in the future.

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

Note 22

Parent entity financial information

a. Summary financial information

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

	2026 $	2025 $
Statement of financial position		
Current assets	186,024,658	84,825,934
Total assets	186,881,114	86,036,671
Current liabilities	6,111,697	7,171,323
Total liabilities	6,532,211	7,909,636
Net assets	**180,348,903**	**78,127,035**
Shareholders' equity		
Issued capital	539,792,843	392,701,992
Reserves		
Share-based payments	19,993,487	19,364,706
Accumulated losses	(379,437,427)	(333,939,663)
Total equity	**180,348,903**	**78,127,035**
Net (loss) for the period	**(45,497,764)**	**(37,013,686)**
Total comprehensive income/(loss)	**(45,497,764)**	**(37,013,686)**

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, write-downs of intercompany loans and impairment charges for investments in subsidiaries, all of 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 2026 (and 30 June 2025), 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.

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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. Silex Systems Limited and its subsidiaries together are referred to in this financial report as the Company, Silex, the consolidated entity or the group.

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 not applied any new standard or amendment for the first time for its annual reporting period commencing 1 July 2025.

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 2026 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 as follows:

– 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 requirement 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.

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 2026 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date when 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 statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

Note 23 b. **Principles of consolidation and equity accounting** (continued)

Note 23 **Summary of other potentially material accounting policies** (continued)

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 GLEH is a joint venture. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

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 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 statement of profit or loss.

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 statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss 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 statement of profit or loss 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.

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Note 23 **Summary of other potentially material accounting policies** (continued)

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.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously 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.

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.

Note 23 **Summary of other potentially material accounting policies** (continued)

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 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 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.

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.

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Note 23 **Summary of other potentially material accounting policies** (continued)

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 is recognised as an employee benefits 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 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.

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 statement of financial position.

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 statement of profit or loss 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 2026

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[1]	Body corporate	–	100%	US	Yes	n/a

1. 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 49 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 2026 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



Craig Roy
Chair

27 August 2026

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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 2026 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2026;
- the consolidated statement of profit or loss for the year then ended;
- 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 notes to the consolidated financial statements, including material accounting policy information and other explanatory information;
- the consolidated entity disclosure statement as at 30 June 2026; and
- 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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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.

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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*
Recoverable project costs Refer to note 3 Costs incurred by Silex Systems Limited in relation to the Uranium Enrichment Project ("UEP") are recharged to Global Laser Enrichment LLC ("GLE"). We considered this a key audit matter due to the magnitude of the revenue, and the judgemental nature of determining which expenses can be recharged.	Our audit procedures included: • considering the Group's accounting policy in line with the Australian Accounting Standards; • developing an understanding and, evaluating the design and implementation of key controls over the revenue to receivables business process; • 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; • assessing reasonableness of the related financial statement disclosures in light of the requirements of Australian Accounting Standards
Investment accounted for using the equity method Refer to note 15b 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 statement of profit or loss and the carrying value of the investment in GLEH is recognised within the consolidated statement of financial position. We considered this a key audit matter due to the financial significance of GLEH to the Group's financial report.	Our audit procedures included: • agreeing the loss incurred for GLEH to underlying financial records; • agreeing capital contributions to bank statements; • assessing the recoverability of the carrying value of the GLEH investment; • testing the mathematical accuracy of the Group's share in GLEH and the share of net loss recognised; • assessing reasonableness of the related financial statement disclosures in light of the requirements of Australian Accounting Standards

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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 2026, 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.

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.

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.

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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. 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 2026.

In our opinion, the remuneration report of Silex Systems Limited for the year ended 30 June 2026 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.

PricewaterhouseCoopers

Aishwarya Chandran
Partner

Sydney
27 August 2026

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Shareholder Information

The shareholder information set out below was applicable as at 13 August 2026.

a. Distribution of equity securities

Analysis of the number of equity security holders by size of holding and the total percentage of securities in that class held by the holders in each category:

	Class of equity security: Ordinary					
	Shares		Options		Performance rights	
Holding	No. of holders	% of shares	No. of holders	% of options	No. of holders	% of rights
1 – 1,000	3,912	0.60%	–	–	3	0.40%
1,001 – 5,000	2,875	2.68%	8	1.19%	19	7.21%
5,001 – 10,000	862	2.34%	–	–	9	9.53%
10,001 – 100,000	1,075	11.28%	27	56.16%	4	19.50%
100,001 and over	193	83.10%	3	42.65%	2	63.36%
Total number of holders	**8,917**	**100.00%**	**38**	**100.00%**	**37**	**100.00%**

There were 561 holders of less than a marketable parcel of ordinary shares.

b. Names of twenty largest quoted equity security holders as at 13 August 2026

Name	Number of securities	Percentage held
HSBC Custody Nominees (Australia) Limited	62,910,728	22.59%
Jardvan Pty Ltd	28,602,608	10.27%
JP Morgan Nominees Australia Pty Limited	22,531,764	8.09%
Citicorp Nominees Pty Limited	19,214,793	6.90%
Pure Gold Pty Ltd	5,893,717	2.12%
BNP Paribas Noms Pty Ltd	5,512,736	1.98%
BNP Paribas Nominees Pty Ltd <IB AU Noms RetailClient>	4,797,291	1.72%
Majenta Holdings Pty Ltd	4,491,423	1.61%
Hillboi Nominees Pty Ltd	4,488,146	1.61%
McCusker Holdings Pty Ltd	3,450,000	1.24%
Throvena Pty Ltd	2,978,203	1.07%
Spar Nominees Pty Ltd <The Devereux A/C>	2,819,000	1.01%
Mr Christopher David Wilks	1,983,716	0.71%
BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	1,893,193	0.68%
RD Super Pty Ltd <RD Super Fund A/C>	1,812,775	0.65%
Sporran Lean Pty Ltd <Sporran Lean S/F A/C>	1,679,000	0.60%
Hamlac Pty Ltd	1,625,937	0.58%
Quintal Pty Ltd <Harken Family A/C>	1,502,952	0.54%
Dr Michael Philip Goldsworthy	1,288,695	0.46%
Mr Xiangyang Wu	1,125,057	0.40%
	180,601,734	**64.83%**

c. Substantial holders

Name	Number of securities	Percentage held
Jardvan Pty Ltd	28,602,608	10.27%
Van Eck Associates Corporation	23,679,491	8.50%
State Street Corporation	17,442,656	6.26%

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Shareholder Information

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 13 August 2026

As at 13 August 2026, shares subject to voluntary escrow were as follows:

Number of shares	Escrow period ends
129,497	28/08/2026
249,725	04/09/2026
110,037	18/11/2026
40,000	16/12/2026
450,000	04/03/2027
189,500	28/08/2027
160,000	03/11/2027
562,500	14/12/2027
155,000	03/03/2028

f. Unquoted equity securities as at 13 August 2026

As at 13 August 2026, unquoted equity securities were as follows:

	Number on issue	Number of holders
Options issued under the Silex Systems Limited Employee Incentive Plan	1,814,300	37
Performance rights issued under the Silex Systems Limited Employee Incentive Plan	755,400	37
Options issued to Hyde Park Partners	200,000	1

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Corporate Directory

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Directors

Mr C A Roy	Chair
Dr M P Goldsworthy	CEO/Managing Director
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 A Roy	
Mr C D Wilks	
Ms J E Russell	Committee Secretary

Remuneration and Nomination Committee

Mr C A Roy	Chair
Ms S J Corlett	
Mr C D Wilks	
Ms K A Corbett	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
Website: 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: 1300 556 161 (within Australia)
Enquiries: +61 8 8236 2300 (outside Australia)

Email: web.queries@computershare.com.au
Website: www.computershare.com.au

Stock Exchange

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

American Depository 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



Silex

www.silex.com.au

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