Perth, Australia
30 October 2026

Strategic Elements September Quarter Update

Strategic Elements Ltd (ASX: SOR) provides the following update to accompany the Appendix 4C lodged for the quarter ending 30 September 2026.

Strategic Elements (ASX: SOR) operates as a Pooled Development Fund (PDF) and continued during the quarter to advance two operating ventures in material science and automation — Australian Advanced Materials (developing Energy Ink™) and Stealth Technologies (commercialising the EdgeiQ system) — alongside ongoing scouting for new opportunities under its venture creation model.

Strategic Elements – Pooled Development Fund

Strategic Elements is registered as a Pooled Development Fund (PDF) under an Australian Government program designed to encourage investment in Australian innovation.

The structure enables the Company to invest in emerging technologies at an early stage, provide patient capital and actively develop wholly owned ventures before seeking strategic investors, commercial partners or other opportunities to realise value. Eligible shareholders may also benefit from tax concessions, including tax-free capital gains and dividends.

The Company's investment approach is focused on identifying opportunities where early involvement, technical development and commercialisation support have the potential to create significant value relative to the capital invested.

Emerging Investment Focus – Physical AI

Strategic Elements is increasing its focus on emerging opportunities in Physical AI, where artificial intelligence moves beyond software and data centres to interact with the physical world through sensing, spatial awareness, edge computing and autonomous systems.

The Company believes this convergence of AI with real-world industrial systems could create opportunities for new technologies and businesses across multiple sectors.

Building on the experience developed through Stealth Technologies and EdgeiQ, Strategic Elements has commenced discussions with Australian researchers and technology groups to identify and assess potential new investment and venture development opportunities in Physical AI and related enabling technologies.

These activities remain exploratory and form part of the Company's broader strategy to identify and develop Australian innovations with significant commercial potential.

Stealth Technologies (100% owned) – EdgeiQ

During the September quarter, Stealth Technologies continued investing in the development and commercialisation of its EdgeiQ technology, progressing its first commercial EdgeiQ OnSite deployment, preparing EdgeiQ Portable for commercial pilot programs and expanding its artificial intelligence research activities.

As the first commercial deployment, the EdgeiQ OnSite pilot involves an expanded scope of engineering, system integration, data collection, testing and technical refinement, resulting in additional expenditure during the quarter. These activities are important to validate the technology under real operating conditions, support further technical improvements and establish the foundations for potential future commercial rollout. Much of this initial development and setup work is not expected to be repeated to the same extent in subsequent deployments.

EdgeiQ OnSite – First Commercial Mining Deployment

During the quarter, Stealth progressed its first commercial EdgeiQ OnSite deployment with a major global gold producer. Key computing and networking infrastructure was successfully installed at the customer's underground mine, with integration into the mine's operational network, communications and sensor-connectivity testing, and remote monitoring capabilities established.

These milestones provide the infrastructure required for extended operational data collection, performance validation and further system refinement. The pilot is an important step towards validating the technology and preparing it for potential broader commercial deployment across multiple mining sites.

EdgeiQ Portable – Commercial Pilot Preparation

During the quarter, Stealth continued advancing its EdgeiQ Portable technology through hardware engineering, system integration and technical refinements in preparation for commercial pilot programs.

EdgeiQ Portable is a handheld system combining LiDAR scanning, 3D mapping, spatial positioning and onboard computing to capture and analyse information directly in underground mining environments without requiring GPS, internet connectivity or external cloud computing.

Building on five completed underground field trials with a Tier 1 mining company, development focused on improving operational readiness and progressing the technology towards commercial deployment. The platform is designed to support multiple mining applications using common hardware, creating opportunities for additional products and potential revenue streams.

Physical AI – Research and Development

During the quarter, Stealth expanded its EdgeiQ development activities into artificial intelligence, establishing a paid research agreement with researchers at Curtin University's Western Australian School of Mines to investigate predictive AI capabilities using EdgeiQ Portable hardware. Activities during the quarter included research planning, initial AI model development and preparation for integration with the handheld system.

The AI program represents an important step towards expanding EdgeiQ beyond sensing and measurement into Physical AI applications, combining real-world spatial data with onboard predictive intelligence to support mining operational decisions.

Subsequent to Quarter End – EdgeiQ Portable and Physical AI

On 29 October 2026, Strategic Elements announced the launch of the EdgeiQ Portable commercial pilot program, with active discussions underway with prospective mining partners regarding potential revenue-generating deployments.

Stealth also achieved a significant Physical AI technical milestone, successfully deploying an initial AI model directly onto EdgeiQ Portable hardware. Initial testing demonstrated onboard AI processing in approximately 100 milliseconds per inference, without requiring external or cloud computing.

A Tier 1 mining company has approved access to operational mining data, with data supply commenced to support further AI development during Q4 2026. A potential underground field trial is targeted for Q1 2027, subject to technical progress and site access.

Australian Advanced Materials (100% owned) - Energy Ink™

Australian Advanced Materials (AAM) continued advancing Energy Ink™, an early-stage technology being developed to generate electrical energy from moisture, in collaboration with the University of New South Wales and other development partners.

During the September quarter, AAM achieved several important milestones in intellectual property protection, commercial electronics integration and the development of its Moisture Energy Dock demonstrator.

Japanese Patent Granted
On 1 July 2026, AAM was granted a Japanese patent titled *Moisture Electric Generator Battery Cell*, providing registered protection for specified elements of the original Energy Ink™ technology platform. Japan is an important market for advanced materials, electronics and high-volume manufacturing, and the patent strengthens the foundation for future technical collaboration and commercialisation opportunities.

Commercial Power-Management Integration
On 1 September 2026, AAM announced the first successful integration of prototype Energy Ink™ cells with commercially available power-management electronics supplied by Belgium-based semiconductor company e-peas.

This milestone demonstrated that electrical output from an Energy Ink™ cell system can be captured and managed using commercial electronics, progressing the technology beyond laboratory measurement towards integration with practical electronic systems.

Moisture Energy Dock
During the quarter, AAM progressed development of its portable Moisture Energy Dock, which combines Energy Ink™ cells, controlled moisture conditions and commercial power-management electronics.

The Dock is designed to demonstrate the transfer of electricity generated by a moisture-activated cell system into a removable lithium-ion battery, with the initial objective of accumulating sufficient energy to power a one-minute telephone call using a commercially available Nokia feature phone.

Battery-Free Electronics
In parallel, AAM continued its separate battery-free materials development program, evaluating alternative cell architectures and electrode materials for potential use in thin, flexible and low-power electronic products.
The program is focused on developing stable, non-consumable Energy Ink™ systems that could enable electronic functionality in products where conventional batteries introduce limitations relating to thickness, assembly, maintenance and disposal.

Subsequent to Quarter End

On 22 October 2026, AAM announced that the Moisture Energy Dock had advanced to final testing, with the complete system demonstration targeted for Q4 2026, subject to successful testing. The final design incorporates a custom Energy Ink™ cell pack, breath-activated moisture management and commercial e-peas electronics, with energy transferred directly into the rechargeable battery without an intermediate supercapacitor.

The successful completion of the demonstration would represent an important system-level proof point for the engineered-moisture development pathway. Energy Ink™ remains an early-stage technology, with further development required in materials performance, durability, scalable manufacturing and commercial application integration.

Strategic Elements Financials

The Company ended the September quarter with approximately $3.9 million in cash, continuing to fund the development and commercialisation of its wholly owned ventures and evaluate new investment opportunities under its Pooled Development Fund mandate.

During the quarter, Stealth Technologies incurred increased expenditure on expanded development activities, including its first commercial EdgeiQ OnSite pilot deployment, preparation of EdgeiQ Portable for commercial pilot programs and establishment of its Physical AI research program with certain costs not expected to recur in subsequent quarters.

Australian Advanced Materials incurred expenditure of $116,000 relating to Energy Ink™ research and development at UNSW, consultants and intellectual property management. Stealth Technologies incurred expenditure of $252,000 relating to staff, consultants and development activities supporting EdgeiQ OnSite, EdgeiQ Portable and Physical AI, while receiving $29,000 in funding and revenue during the quarter. Cognition Engines incurred no research and development or consulting expenditure. Maria Resources incurred $2,000 in costs associated with its technology metals projects, while Strategic Materials incurred $20,000 in permit and consulting fees relating to the Golden Blocks project in New Zealand.

Net expenditure across the Group for the September quarter including corporate costs, research and development expenditure, operating costs and expenditure supporting the Company's ventures was $907,000. A proportion of this expenditure related to initial pilot deployment, equipment procurement, engineering, consulting, system integration and research establishment activities, with certain costs not expected to recur in subsequent quarters. Corporate and internal costs incurred in operating the ASX-listed entity and supporting its ventures totalled $537,000. Payments of $270,000 to related parties and their associates are reported at item 6.1 of the accompanying Appendix 4C, including remuneration for Executive Directors. The Company is preparing R&D Tax Incentive claims, with an anticipated cash rebate of approximately $650,000 in cash expected to be received during the December 2026 quarter, subject to successful processing.

Strategic Elements continues to prioritise the commercialisation of its existing technologies while evaluating new opportunities under its Pooled Development Fund mandate. The Company remains focused on managing expenditure and directing available capital towards activities with the greatest potential to generate commercial outcomes and long-term shareholder value. Strategic Elements thanks shareholders for their continued support.

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

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

Appendix 4C

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

Name of entity	
Strategic Elements Limited	
ABN	**Quarter ended ("current quarter")**
47 122 437 503	30 September 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	4	4
1.2	Payments for		
	(a) research and development	(298)	(298)
	(b) product manufacturing and operating costs		
	(c) advertising and marketing		
	(d) leased assets		
	(e) staff costs	(385)	(385)
	(f) administration and corporate costs	(261)	(261)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	9	9
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	25	25
1.8	Other	-	-
1.9	**Net cash used in operating activities**	**(907)**	**(907)**

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

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash used in investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(16)	(16)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash used in financing activities**	**(16)**	**(16)**

4.	**Net increase/(decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,841	4,841
4.2	Net cash used in operating activities (item 1.9 above)	(907)	(907)
4.3	Net cash used in investing activities (item 2.6 above)	-	-
4.4	Net cash from financing activities (item 3.10 above)	(16)	(16)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**3,918**	**3,918**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	3,825	2,745
5.2	Term deposits	131	131
5.3	60 Day Notice	-	2,000
5.4	Other (credit card)	(38)	(35)
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,918**	**4,841**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	270
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash used in operating activities (item 1.9)	(907)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,918
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,918
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	4.32

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 Oct 2026

Authorised by: Matthew Howard
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.