

Sent by email on August 25, 2025 to investor.relations@silex.com.au

Attention CEO Michael Goldsworthy

This email is being sent to the general Silex System (SLX) investor relations email address as the only publicly available point of contact for the company. Could it please be forwarded to all relevant decision makers (including the directors) on the forthcoming SPP allocation decision and outcome announcement and could you please confirm by reply email that this has happened.

I'm a Silex Systems shareholder, who also advocates more generally for retail shareholder rights, and am writing to you on behalf of the circa 8,000 retail shareholders who are eligible to apply to participate in the SPP, which closes on August 29. This is what I've currently got about your raising on my [public master list](#) summarising all capital raisings above \$20 million by ASX listed companies since March 2020:

August 29, 2025: Silex Systems (SLX): [\\$130m placement](#) which was [reported](#) by *The AFR's* Street Talk column at 10.06am on August 6. The pricing was \$3.90, a hefty 15.8% discount to the previous close of \$4.63. The [official announcement](#) dropped at 9.37am on August 7. JP Morgan and Cannacord [shared a 4% fee](#) with potential for a 0.25% bonus. The following \$20m SPP at the placement price of \$3.90 has secondary pricing based on a 2% discount to VWAP. The stock closed at [\\$3.72 by August 22](#), giving it a post-placement market cap of \$975m.. The [latest annual report](#) says the company has 8,068 shareholders so the theoretical maximum in SPP applications is \$242 million. Wrote to the company on August 25 thanking them for the VWAP pricing and requesting that the \$20m SPP be lifted if demand is strong.

ENDs

As mentioned above, thank you for including the \$20 million SPP in the raise. This is clearly better than this [long list of companies](#) which have done stand-alone placements with no SPP at all. It is also great that the board included secondary pricing based on a 2% discount to VWAP.

However, the proposed \$20 million SPP component is arguably too small relative to the \$130 million institutional placement. If just 666 or 8.25% of your 8,068 shareholders apply for the maximum \$30,000, that will soak up the entire \$20 million SPP allocation. I believe the allocation to retail of just 13.3% of a \$150 million capital raising should be lifted, assuming there are surplus applications.

There are many precedents and it would be great if Silex was to [join this long list](#) of almost 50 examples of companies which completely uncapped their SPPs in the face of strong retail shareholder demand and in order to avoid imposing any form of scale back. Such a move would also provide some tiny compensation to retail shareholders as a class who have been diluted out of tens of billions of dollars by Australia's anything goes public company capital raising system, in which the biggest losers are the inert retail shareholders who don't participate in non-renounceable offers.

From a retail shareholder perspective, the next best alternative after complete uncapping is partially lifting the SPP cap but still imposing a scale back, as has also been done previously by many companies – see this [long list of almost 50 examples](#).

If there is going to be a scale back, there should ideally be a minimum allocation such as \$500 for all applicants, in order to reduce the number of holders with an unmarketable parcel. In

Australia, this is defined as any holding below \$500. Here is a [list of 19 examples](#) of capital raisings by ASX listed companies where there was a minimum allocation before a pro-rata scale back was applied.

After that, a pro rata allocation based on size of holding is fair. Alternatively, you could choose to favour your smaller and poorer retail shareholders by scaling back based on size of application like the many [companies on this list](#).

Whatever you do, please spell out the scale back formula clearly in the SPP offer document and the outcome announcement, preferably with a table similar to what QBE Insurance produced in [this 2009 ASX announcement](#).

In terms of the outcome announcement, please follow the best practice transparency demonstrated by [companies on this list](#). For the avoidance of doubt, here are some words to demonstrate how it might read.

“The Silex Systems SPP was open to 8,068 eligible shareholders and the company received applications totalling \$27.2 million from 1,797 holders, a participation rate of 22.23%.”

It would also be great if you could send a reminder email before the SPP closes to those shareholders who have signed up for electronic communications.

Once again, I would appreciate an acknowledgment that this email has been received and forwarded to the relevant parties and look forward to seeing the ASX announcement about the hopefully expanded and uncapped SPP.

I will be commenting about your decision on Twitter, in my next *Intelligent Investor* column (see [previous 200-plus columns](#)) and also will potentially raise the issue at future AGMs.

If you would like to discuss this matter, feel free to contact me via this email address.

Thank you for your consideration.

Kind regards

Stephen Mayne

Silex Systems shareholder

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