ASX Release ASX: KTK

30 October 2026

Quarterly Activities Report for the quarter ended 30 September 2026

Highlights

- **Deliveries recommenced under the principal production program during September. KTEK is targeting 150 complete airframe sets delivered per month as production ramps, with a substantial increase in activity expected during the December quarter.**
- **Signed orders provide contracted work as deliveries build.**
- **New aerospace and defence customer secured through an initial binding US$200,000 design order, the first stage of a quoted US$994,100 work package; subsequent stages require further purchase orders.**
- **US$172,500 Vestal Technology contract secured for engineering, tooling and two SCOOPER 25 prototype airframe structures, with completion targeted for early 2027.**
- **Netherlands-to-US export licence approved in August, enabling an additional delivery route and supporting the development of KTEK's US operations.**
- **SATCOM cooperation with Over-Sat progressed, with an additional purchase order received after quarter end.**

KTEK Aerosystems Ltd (ASX: KTK) has signed orders scheduled for delivery following the resumption of deliveries during September. The contracted work provides a clear execution focus for the coming months: complete deliveries, secure customer acceptance and convert invoices into cash receipts. KTEK is building towards a targeted delivery rate of 150 complete airframe sets per month while expanding its customer base through new engineering and prototype programs.

Managing Director commentary

Dekel Keisar, Founder and Managing Director, said:

"With deliveries restarting and signed orders to fulfil, our priority is to turn contracted work into consistent deliveries and customer receipts, building towards our target of 150 complete airframe sets per month.

"The new Israeli aerospace and defence customer and the Vestal prototype contract also broaden our customer base. They give us the opportunity to demonstrate our engineering and manufacturing capabilities on new platforms and compete for follow-on production work."

Operational and business developments

Production recovery and serial manufacturing

During the quarter, KTEK made significant progress in addressing manufacturing, tooling and supply-chain challenges affecting its principal production program. On 30 September 2026, the Company announced that deliveries had recommenced, meeting the restart timetable outlined in its June quarterly report.

The initial batch comprised completed subassemblies manufactured through KTEK's European partner network and ready for collection for onward delivery to an existing OEM customer. Completion of the manufacturing, tooling and quality-assurance work required for the restart re-established the pathway to customer delivery, acceptance and invoicing.

KTEK is targeting deliveries of 150 complete airframe sets per month as production ramps, with a substantial increase in activity expected during the December quarter. This is a delivery target, with progress dependent on manufacturing performance, component availability, customer acceptance, logistics and applicable export controls.

Quality controls and customer acceptance processes are in place across the manufacturing and delivery pathway to support the increase in deliveries.

Delivery and order book update

Signed orders provide contracted work across the production ramp and a basis for future invoicing and collections. Almost all of the signed order book comprises the principal customer's kit-production orders under formal purchase orders. Most of the September-quarter conversion payments relate to wing sets for these orders. Management estimates the remaining expenditure required to fulfil the principal customer's orders at approximately two-thirds of their value. This is an estimate of remaining fulfilment expenditure, not a gross-margin forecast; customer collection timing and other operating costs also affect cash availability. Customer receipts typically follow delivery by approximately 90 days, subject to contractual terms and acceptance. These future receipts are not included in quarter-end cash or the Appendix 4C funding calculation.

New Israeli aerospace and defence customer

In September, KTEK secured an initial US$200,000 purchase order from a major Israel-based aerospace manufacturer and defence prime contractor. Work on the project has commenced. The initial order is the first milestone of a quoted US$994,100 work package. Only the initial US$200,000 purchase order is binding; further stages remain subject to additional purchase orders. The broader program has been described as a potential opportunity of approximately US$5 million in design engineering work packages, rather than committed revenue.

The engagement expands KTEK's customer base and demonstrates its model of entering customer programs through engineering and development work. Successful execution may provide a pathway into prototype manufacture, serial production and ongoing component supply, subject to customer requirements, approvals and separate orders.

Vestal Technology prototype development

On 9 September 2026, KTEK announced a binding US$172,500 agreement with Vestal Technology Ltd for engineering, development, tooling and manufacture of two composite prototype airframe structures for the SCOOPER 25 UAV.[1]

The scope includes completing structural design for prototype manufacture, static structural analysis, prototype tooling and production of the two airframe structures. Payments are linked to order, tooling and prototype-completion milestones. The fixed contract price excludes taxes, duties, shipping and customer-site expenses.

The program is progressing, with prototype completion targeted for early 2027. The announced schedule targets the first structure five months from project commencement and the second approximately one month later, subject to timely customer inputs, configuration freeze and supplier availability.

The contract brings together KTEK's engineering, industrialisation and composite manufacturing capabilities on a new customer platform. It covers two prototype structures, with a potential pathway to serial production subject to successful development, Vestal's requirements and a separate commercial agreement.

Existing customer programs and international operations

Existing drone customer

KTEK is working towards expanding its scope with an existing drone manufacturing customer from assembly services to full turnkey manufacturing and integration. The proposed transition would extend KTEK's role across procurement, supply-chain management, manufacturing and final assembly.

A broader scope could increase the value of work undertaken for the customer and deepen KTEK's involvement in the program. The transition remains subject to customer agreement and future binding orders.

[1] Refer to KTK ASX announcement dated 9 September 2026

Over-Sat and SATCOM capability

During July, KTEK established a SATCOM capability and entered into a Letter of Intent with Over-Sat Ltd to provide engineering, manufacturing and industrialisation services for selected components and assemblies of its MANTIS and PYTHON systems.[2]

The cooperation extends KTEK's existing capabilities into SATCOM components and subassemblies for airborne, maritime and land-based applications. Potential work includes design-for-manufacturing improvements, structural and mechanical parts, composites, electromechanical assemblies, tooling and prototype, pilot and serial production.

Individual work orders define scope, deliverables, schedules, prices and quality requirements. Initial work orders were received during the quarter. The LOI contains no committed volumes or minimum revenues. Subject to agreed commercial terms and KTEK meeting applicable requirements, Over-Sat intends to give KTEK priority for manufacture of parts and assemblies arising from the cooperation.

International manufacturing and supply chain

KTEK continued strengthening its manufacturing and supply-chain capabilities in Israel and Europe, while developing its US operational presence to support logistics, assembly and future customer opportunities. The Company's Los Angeles production and engineering facility, leased in June 2026, was being prepared at quarter end to receive and assemble components; the associated costs to date have not been material.

Following the export-licence application announced in July[3], the Netherlands-to-US licence was approved in August.[4] The approval enables an additional supply route from KTEK's European operations to the United States and supports the development of local assembly and logistics capability.

KTEK's Cordless Factory model combines internal engineering, industrialisation, program management and quality assurance with qualified manufacturing partners. This structure provides flexibility to allocate work across the network and scale production with lower capital intensity than establishing wholly owned manufacturing facilities.

The Company is also assessing how its Netherlands and broader European footprint can support future customer assembly and delivery requirements as relevant programs expand in Europe.

Developments subsequent to quarter end

After 30 September 2026, KTEK received an additional purchase order from Over-Sat under the cooperation framework established in July, providing further contracted work within the customer relationship.

The additional purchase order is a post-quarter development under the cooperation framework; the LOI itself contains no minimum revenue commitment.

Outlook and priorities

KTEK's immediate priority is to execute the signed-order delivery schedule and convert that activity into customer receipts. Progress will be measured through completed deliveries, customer acceptance, invoicing and collections, alongside the increase towards 150 complete airframe sets delivered per month.

- Execute the signed-order delivery schedule and build consistent deliveries towards the target of 150 complete airframe sets per month.
- Execute the initial Israeli defence prime contract and pursue follow-on work subject to customer approvals and orders.
- Progress the Vestal engineering, tooling and prototype program towards completion in early 2027.

[2] Refer to KTK ASX announcement dated 6 July 2026

[3] Refer to KTK ASX announcement dated 8 July 2026

[4] Refer to KTK ASX announcement dated 12 August 2026

- Expand existing customer relationships towards higher-value turnkey manufacturing and integration.
- Develop international manufacturing and supply-chain capabilities, including the US assembly and logistics pathway.
- Diversify the customer and program base to reduce dependence on any single production program.

Cash resources and funding

At 30 September 2026, KTEK held cash and cash equivalents of A$2.496 million, as reported in Appendix 4C, and additional deposits of A$1.59 million classified outside cash and cash equivalents. All of these additional deposits were pledged as collateral for financing facilities. Drawn financing facilities, including borrowings, overdrafts and insurance premium funding, totalled A$2.005 million.

The deposits were held in US dollars of US$1.07 million (A$1.52 million) and Israeli shekels (A$56,000) and were accessible only on repayment of the facilities they secure or with the consent of the relevant lender. The principal deposit, US$1.0 million (A$1.42 million) with Bank Discount, is a fixed-term deposit maturing on 31 May 2027. The amount available for operating expenditure without further lender consent or repayment of associated debt was nil. Deposits and associated borrowings are presented separately to avoid overstating available liquidity.

Operating cash flow and expenditure

September-quarter net operating cash outflow was A$2.310 million, after customer receipts of A$197,000 and interest received of A$12,000. Cash expenditure included US$613,000 (A$869,000) of production payments and A$176,000 of offer-related payments, including VAT. The corresponding offer expense was US$105,000 (A$149,000), net of VAT; part of the cash payments settled invoices from before admission. The quarter also included A$363,000 of supplier invoices dated before July and paid during the quarter. Management's recurring cost estimate of approximately A$1.14 million reconciles to reported net operating outflow by adding back A$209,000 of customer receipts and interest and deducting A$869,000 of production payments, A$149,000 of offer expense net of VAT and A$363,000 of pre-July supplier invoices. The offer-cost adjustment uses the expense net of VAT, rather than the A$176,000 cash payment including VAT. Management does not expect the identified production and offer-related payments to recur at the same level. Ongoing production and order-fulfilment costs will continue as deliveries increase. Net investing cash inflow was A$577,000, comprising A$673,000 of net investment disposals, including released collateral deposits, less A$96,000 of related-party advances. Net financing cash outflow was A$387,000.

The Appendix 4C calculation indicates 1.1 quarters of funding (which reflects the prescribed Appendix 4C calculation based on the September quarter outflow), based on cash and cash equivalents of A$2.496 million, unused financing facilities of A$59,000 and September-quarter net operating cash outflow of A$2.310 million.

Management estimates the recurring cost base at approximately US$803,000 per quarter, equivalent to A$1.14 million at the September-quarter average exchange rate. Cash and cash equivalents of A$2.496 million at 30 September represent approximately 2.2 quarters of this cost base (A$2.496 million divided by A$1.14 million), before expected VAT refunds of approximately A$0.5 million. This supplementary cost-coverage comparison differs from the reported Appendix 4C measure of 1.1 quarters. It excludes future customer receipts and VAT refunds and does not separately allow for incremental production working capital, investing expenditure or debt principal repayments.

Future collections from the signed orders described above provide an additional source of expected operating cash inflows. They are excluded from the indicative cost-coverage comparison and the Appendix 4C quarter-end funding calculation.

The Company expects approximately A$0.5 million of VAT refunds progressively to March 2027. Bank Discount has also approved renewal of the A$240,000 bridging loan due on 11 November 2026.

Management's cash-flow forecast, based only on orders in hand, indicates that the Group can maintain a positive cash balance through June 2027 after allowing for customer collection timing, remaining production expenditure and debt repayments. On this basis, the Company has no intention to raise

capital in the near term. The Board will monitor collections, expenditure and debt service and reassess funding requirements if these differ from forecast.

Payments to related parties and their associates included A$253,000 within operating activities, comprising A$104,000 in directors' fees, A$46,000 for corporate and company secretarial services provided by an entity associated with a director, and A$103,000 of remuneration (gross salary and statutory employer contributions) of the Managing Director and a related party employed by KTeK Ltd. A further A$96,000 comprised net advances to the Managing Director and a related party reported within investing activities.

As required by ASX Listing Rule 4.7C.2, the table below shows the actual use of funds from the listing date until 30 September 2026 compared with the use of funds outlined in the Prospectus.

Use of funds (A$ million)	Actual use of funds (18 May to 30 September 2026)	Prospectus use of funds
US expansion	–	3.10
Tooling and manufacturing capacity increase	1.10	1.35
Sales and marketing	0.08	0.86
Research and development	0.77	3.00
Working capital	2.42	0.75
Expenses of the offer	1.41	1.11
Other – advances to related parties (item 2.3)*	0.11	–
Total	**5.89**	**10.17**

Figures are rounded to the nearest A$0.01 million. Working capital comprises the Group's corporate and administration costs in Australia and Israel, staff costs, lease payments, finance costs and taxes, together with the production costs of the delivery restart, net of customer receipts and interest received. Working capital expenditure has exceeded the Prospectus allocation, reflecting the longer than anticipated period before deliveries recommenced and the settlement of supplier balances carried from before admission. Expenditure on tooling and manufacturing capacity reflects the conversion of wing sets and tooling at the Company's manufacturing partner. Offer-related cash payments in the September quarter were A$176,000 including VAT, compared with an expense of A$149,000 net of VAT. Part of those payments settled invoices from before admission. The cash payments are reported within operating activities in the Appendix 4C; total expenses of the offer exceeded the Prospectus estimate by A$0.30 million. The United States expansion remains a core element of the Company's strategy. During the period the Company secured the Netherlands export licence for the United States and leased its Los Angeles production and engineering facility, the initial costs of which have not been material and are included in working capital. The Company plans to apply the United States expansion allocation as the Los Angeles operation is established and United States customer programs are secured, with the timing of that expenditure determined by the Board having regard to customer receipts and available funding.

In addition to the amounts above, since admission A$1.41 million (net of releases) has been placed in term deposits pledged as security for the bank borrowings of the Israeli subsidiary. At 30 September 2026 the Group held cash of A$2.50 million and pledged term deposits of A$1.59 million.

*Net advances as reported at item 6.2 of the Appendix 4C do not form part of any Prospectus category.

The composition of the actual use of funds to 30 June 2026 has been restated on the basis above; the restated total to 30 June 2026 is A$3.48 million (previously reported A$3.46 million).

Forward looking statements

This report contains forward-looking statements concerning production, deliveries, customer programs and funding. These reflect current expectations and assumptions and are subject to manufacturing performance, component availability, customer acceptance and purchasing decisions, export controls, logistics, geopolitical conditions and foreign exchange movements. Actual outcomes may differ materially. Except as required by law or the ASX Listing Rules, the Company does not undertake to update these statements.

This announcement has been released with the approval of the KTK Board.

ENDS

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About KTEK Aerosystems

KTEK Aerosystems (ASX: KTK) supplies composite airframes, electromechanical assemblies, systems integration and engineering services for defence and commercial uncrewed and advanced platforms. Its asset-light Cordless Factory model combines in-house engineering, program management and quality assurance with a qualified international manufacturing network.

Website: https://ktek.tech/

Appendix 4C

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

Name of entity	
KTek Aerosystems Ltd	
ABN	**Quarter ended ("current quarter")**
59 696 412 138	30 September 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	197	1,782
1.2	Payments for		
	(a) research and development	(299)	(504)
	(b) product manufacturing and operating costs	(840)	(1,741)
	(c) advertising and marketing	(146)	(153)
	(d) leased assets	(50)	(50)
	(e) staff costs	(363)	(1,288)
	(f) administration and corporate costs	(771)	(2,119)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	12	20
1.5	Interest and other costs of finance paid	(47)	(114)
1.6	Income taxes paid	-	(163)
1.7	Government grants and tax incentives (R&D Rebate)	-	-
1.8	Other – value added tax (VAT), net	(3)	(147)
1.9	**Net cash from / (used in) operating activities**	**(2,310)**	**(4,477)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(9)
	(d) investments	-	(2,092)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	673	673
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(96)	(308)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**577**	**(1,736)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	10,000
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	-	(1,469)
3.5	Proceeds from borrowings	640	2,740
3.6	Repayment of borrowings	(1,027)	(2,873)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) – intragroup transfers from KTek Aerosystems Ltd to KTeK Ltd (A$1,254,815 in the quarter; A$5,714,615 year to date) are eliminated on consolidation	-	-
3.10	**Net cash from / (used in) financing activities**	**(387)**	**8,398**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,625	342
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,310)	(4,477)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	577	(1,736)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(387)	8,398
4.5	Effect of movement in exchange rates on cash held	(9)	(31)
4.6	**Cash and cash equivalents at end of period**	**2,496**	**2,496**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	2,522	4,663
5.2	Call deposits	-	-
5.3	Bank overdrafts	(26)	(38)
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,496**	**4,625**

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	253
6.2	Aggregate amount of payments to related parties and their associates included in item 2	96

Item 6.1 comprises payments of A$253,000 made during the quarter to related parties and their associates. These payments consisted of directors' fees of A$104,000, A$46,000 for corporate and company secretarial services provided by an entity associated with a director, and A$103,000 of remuneration (gross salary and statutory employer contributions) of the Managing Director and a related party employed by KTeK Ltd, for the three monthly payrolls paid in the quarter.

Item 6.2 comprises A$96,000 of net advances to the Managing Director and a related party through their current accounts, including expenses settled by KTeK Ltd and charged to those accounts. The corresponding cash flow is included at item 2.3 within investing activities.

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	1,956	1,956
7.2	Credit standby arrangements	85	26
7.3	Other (please specify)	23	23
7.4	**Total financing facilities**	2,064	2,005
7.5	**Unused financing facilities available at quarter end**		59
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.		

Items 7.1 and 7.2 are facilities of the Israeli operating subsidiary KTeK Ltd. Amounts are the balances at 30 September 2026, translated at ILS 2.1351 per A$. The loan facilities are amortising or term facilities that are fully drawn, and the facility amount shown is the drawn balance. Except for the fixed rate facility provided by A.L. Agam Brokers, the facilities carry variable interest linked to Israeli prime. Israeli prime was 4.75% at 30 September 2026.

Bank Discount: amortising term loan maturing 11 June 2032; interest at prime + 0.75% (5.50%).

Bank Discount: amortising loan under the Israeli State-guaranteed loan scheme, maturing 14 January 2029; interest at prime + 1.5% (6.25%). Also secured by a pledged deposit of approximately A$13,000.

Bank Discount: bridging loan drawn in July 2026, interest at prime + 2.5% (7.25%). Principal outstanding at quarter end of A$234,000 (ILS 500,000) is repayable with interest in a single instalment of A$240,000 (ILS 511,784) on 11 November 2026. Subsequent to quarter end, Bank Discount approved the renewal of the facility.

The Bank Discount facilities are secured by a pledged deposit of US$1.0 million and by a fixed charge over receivables from a customer.

Bank Mercantile Discount: amortising term loan maturing 16 April 2030; interest at prime + 2.0% (6.75%). Secured by a pledged deposit of approximately A$80,000 and by fixed charges over receivables from a customer and over cheques and securities deposited with the bank.

Bank Yahav: term loan maturing 15 May 2028; interest at a variable rate (7.90% at quarter end), interest-only until maturity. Secured by a pledged deposit of approximately A$43,000.

Bank Leumi: two amortising term loans maturing on 11 December 2026 and 13 February 2031; interest at variable rates (8.65% and 7.83% respectively at quarter end). The balance outstanding at quarter end on the loan maturing on 11 December 2026 was A$14,000. Secured by a floating charge over the receivables of KTeK Ltd.

Bank Mizrahi Tefahot: term loan maturing 16 February 2027; interest at a variable rate (10.7% at quarter end). Balance outstanding at quarter end A$48,000. Unsecured.

A.L. Agam Brokers: non-bank facility repayable within 12 months, provided against customer post-dated cheques, at a fixed discount rate agreed per drawdown. Balance outstanding at quarter end A$133,000.

During the quarter the Bank Mercantile Discount balloon facility, a second Bank Yahav facility and a third Bank Leumi loan were repaid in full.

Item 7.2 comprises bank overdraft limits with Bank Discount, Bank Yahav, Bank Mercantile Discount and Bank Hapoalim. The overdrafts carry variable interest, are repayable on demand, are secured by the charges registered in favour of the respective banks described above (the Bank Hapoalim facility by a fixed charge over receivables from a customer) and form part of the subsidiary's ordinary cash management arrangements. Item 7.5 is the undrawn portion of those limits at quarter end.

Item 7.3 is an insurance premium funding facility of KTek Aerosystems Ltd, repayable in monthly instalments to February 2027. Unsecured.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,310)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,496
8.3	Unused finance facilities available at quarter end (item 7.5)	59
8.4	Total available funding (item 8.2 + item 8.3)	2,555
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	1.1

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?

No. September-quarter net operating cash outflow was A$2.310 million, after customer receipts of A$197,000 and interest received of A$12,000. Cash expenditure included US$613,000 (A$869,000) of production payments and A$176,000 of offer-related payments, including VAT. The corresponding offer expense was US$105,000 (A$149,000), net of VAT; part of the cash payments settled invoices from before admission. The quarter also included A$363,000 of supplier invoices dated before July and paid during the quarter. Management's recurring cost estimate of approximately A$1.14 million reconciles to reported net operating outflow by adding back A$209,000 of customer receipts and interest and deducting A$869,000 of production payments, A$149,000 of offer expense net of VAT and A$363,000 of pre-July supplier invoices. The offer-cost adjustment uses the expense net of VAT, rather than the A$176,000 cash payment including VAT. Management does not expect the identified production and offer-related payments to recur at the same level. Ongoing production and order-fulfilment costs will continue as deliveries increase.

Management estimates the recurring cost base at approximately US$803,000 per quarter, equivalent to A$1.14 million at the September-quarter average exchange rate. Cash and cash equivalents of A$2.496 million at 30 September represent approximately 2.2 quarters of this cost base (A$2.496 million divided by A$1.14 million), before expected VAT refunds of approximately A$0.5 million. This supplementary cost-coverage comparison differs from the reported Appendix 4C measure of 1.1 quarters. It excludes future customer receipts and VAT refunds and does not separately allow for incremental production working capital, investing expenditure or debt principal repayments.

Signed orders are scheduled for delivery, providing a basis for increased invoicing and customer collections. Almost all of the signed order book comprises the principal customer's kit-production orders under formal purchase orders. Most of the September-quarter conversion payments relate to wing sets for these orders. Management estimates the remaining expenditure required to fulfil the principal customer's orders at approximately two-thirds of their value. This is an estimate of remaining fulfilment expenditure, not a gross-margin forecast; customer collection timing and other operating costs also affect cash availability. Receipts typically follow delivery by approximately 90 days, subject to contractual terms and acceptance. These future receipts are not included in quarter-end cash or the Appendix 4C funding calculation. Actual net operating cash flow will depend on collections and expenditure required to fulfil orders.

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?

No. The Company is not currently undertaking a capital raising and has no intention to raise capital in the near term. Management's cash-flow forecast, based only on orders in hand, indicates that the Group can maintain a positive cash balance through June 2027 after allowing for customer collection timing, remaining production expenditure and debt repayments. No proposed capital raising is relied upon in that assessment. The Board will monitor actual cash flows against forecast and reassess funding requirements if these differ from current expectations.

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?

Yes. The Company held A$2.496 million of cash and cash equivalents at 30 September 2026.

Cash held represents approximately 2.2 quarters of management's estimated recurring cost base of US$803,000 per quarter (approximately A$1.14 million), before expected VAT refunds and future customer receipts. As explained in item 8.6.1, this is a supplementary cost-coverage comparison; the reported Appendix 4C measure remains 1.1 quarters. The comparison does not separately allow for incremental production working capital, investing expenditure or debt principal repayments.

The resumption of deliveries and signed orders scheduled for delivery provide a basis for increased customer collections. The collection timing, remaining fulfilment expenditure and exclusions from the quarter-end funding calculation are explained in item 8.6.1.

The Company also expects approximately A$0.5 million of VAT refunds progressively to March 2027. Bank Discount has approved renewal of the approximately A$240,000 bridging loan due on 11 November 2026. Pledged deposits of approximately A$1.59 million are outside cash and cash equivalents and are not freely available operating funds. Management's cash-flow forecast, based only on orders in hand, indicates that the Group can maintain a positive cash balance through June 2027 after allowing for collection timing, remaining production expenditure and debt repayments. This forecast supports the Company's expectation that it can continue operations and meet its business objectives. The Board will monitor collection timing, expenditure required to fulfil orders and scheduled debt service, as set out in item 8.6.2.

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 October 2026

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Authorised by: The Board of Directors

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(Name of body or officer authorising release – see note 4)

Notes

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

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

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

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the

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

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