Boresight Ltd

(Formerly known as Boresight Pty Ltd)

40 642 501 228

Half-Year Report - 31 December 2025

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Boresight Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 31 December 2025.

Directors

The following persons were directors of Boresight Ltd during the whole of the financial period and up to the date of this report, unless otherwise stated:

Name	Status	Appointment date	Resignation date
Dr Andrew Windsor	Non-Executive Chairman	9 July 2020	-
Mr Justin Olde	Managing Director and Chief Executive Officer	12 December 2025	-
Mr Michael Sinkowitsch	Executive Director	9 July 2020	-
Mr Blake Burton	Non-Executive Director	1 March 2026	-
Mr Alexander Hall	Executive Director	7 November 2022	11 July 2024

Mr Justin Olde was appointed Chief Executive Officer of the Company in December 2022 and transitioned to CEO/Managing Director on 12 December 2025.

Mr Alexander Hall is the Group’s Chief Technology Officer (CTO) and was a director of the Company for the period 7 November 2022 – 11 July 2024. Mr Hall remains the Group’s CTO as at the date of this report.

Principal activities

Boresight Ltd is an Australian defence and aerospace manufacturing company whose principal activity is the design, manufacture, and supply of low-cost unmanned aerial target systems used for counter-drone (Counter-UAS / C-sUAS) training, threat emulation, and red-teaming.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Review of operations and significant changes in the state of affairs

The loss for the Group after providing for income tax amounted to $1,293,611 (31 December 2024: $217,603).

On 30 June 2025, the Group incorporated a UK domiciled subsidiary, Boresight UK Ltd, owned 80% by the Company at inception.

In preparation for a planned listing on the Australian Securities Exchange, the Company appointed Chief Executive Officer Justin Olde to Managing Director and Chief Executive Officer on 12 December 2025.

During the half-year, the Company has issued shares and completed capital raisings as follow:

- On 15 November 2025 5,193,077 shares were issued on the conversion of convertible notes with a value of $285,620.
- On 30 November 2025 the Company issued 32,307,692 shares to raise $1,450,100.
- On 30 November 2025 the Company issued 925,818 on the conversion of Employee Share Plan Options to raise $50,920.

Numbers of shares reported above are on a post-split on a ratio of 465 for 1 basis.

Refer to matters subsequent to end of financial period for other significant changes in state of affairs.

There were no other significant changes in the state of affairs of the Group during the financial period.

Matters subsequent to the end of the financial period

Blake Burton was appointed as a director and Kyla Garic appointed as company secretary on 1 March 2026.

The Company converted from a private company to a public company on 17 March 2026 and undertook a share split on a ratio of 465 for 1 on the same date.

On 18 March 2026 the Company issued 7,500,000 shares on a post-split basis to raise $1,173,600, net of costs of $26,400.

The following transactions have occurred in respect of options over ordinary shares in the Company:

- On 12 March 2026 10,811,715 employee share plan options were cancelled.

Numbers of options reported above are on a post-split basis.

On 18 March 2026 the Company acquired the minority shareholding of Boresight UK Ltd, bringing its ownership to 100%.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors

____
Dr Andrew Windsor
Non-Executive Chairman

1 April 2026

HALL CHADWICK

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Boresight Ltd and its controlled entities for the period ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Jaslyn Chan

JASLYN CHAN CA
Director

Dated this 1st day of April 2026
Perth, Western Australia

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General information

The financial statements cover Boresight Ltd as a Group consisting of Boresight Ltd and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is Boresight Ltd's functional and presentation currency.

Boresight Ltd is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Unit 1, 120 Giles Street Kingston ACT 2604 AUSTRALIA	Unit 3, 96 Wollongong Street Fyshwick ACT 2609 AUSTRALIA

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were issued on 1 April 2026 by the directors of the Company.

	Note	31 Dec 2025 $	31 Dec 2024 $
Revenue			
Revenue	4	2,446,885	2,220,477
Other income		10,458	30,257
Expenses			
Selling, general and administrative expenses		(1,002,500)	(717,593)
Share-based payment expense	9	(7,347)	(5,765)
Cost of goods sold		(1,135,835)	(798,720)
Employee benefits expense		(1,329,436)	(803,317)
Depreciation and amortisation expense		(215,883)	(123,202)
Finance costs		(59,953)	(14,731)
Loss before income tax expense		(1,293,611)	(212,594)
Income tax expense		-	(5,009)
Loss after income tax expense for the period		(1,293,611)	(217,603)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(62,051)	(19,761)
Other comprehensive loss for the period, net of tax		(62,051)	(19,761)
Total comprehensive loss for the period		(1,355,662)	(237,364)
Loss for the period is attributable to:			
Non-controlling interest		(4,821)	-
Owners of Boresight Ltd		(1,288,790)	(217,603)
		(1,293,611)	(217,603)
Total comprehensive income for the period is attributable to:			
Non-controlling interest		(4,581)	-
Owners of Boresight Ltd		(1,351,081)	(237,364)
		(1,355,662)	(237,364)
		Cents	Cents
Basic earnings/(loss) per share	8	(479.01)	(82.22)
Diluted earnings/(loss) per share	8	(479.01)	(82.22)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Boresight Ltd
Condensed Consolidated Statement of financial position
As at 31 December 2025

	Note	31 Dec 2025 $	30 June 2025 $
Assets			
Current assets			
Cash and cash equivalents		942,564	568,962
Trade and other receivables	5	258,497	756,999
Inventories		96,828	362,092
Other assets		86,911	36,763
Total current assets		1,384,800	1,724,816
Non-current assets			
Plant and equipment		263,553	382,834
Right-of-use assets		169,547	226,318
Deferred tax		26,685	22,367
Other assets		34,490	34,490
Total non-current assets		494,275	666,009
Total assets		1,879,075	2,390,825
Liabilities			
Current liabilities			
Trade and other payables		390,975	696,372
Contract liabilities		77,274	171,803
Borrowings	6	35,917	500,404
Lease liabilities		120,012	112,449
Current tax liability		-	63,487
Provisions		196,241	151,553
Total current liabilities		820,419	1,696,068
Non-current liabilities			
Borrowings	6	-	30,000
Lease liabilities		65,593	127,952
Deferred tax liability		26,685	22,367
Provisions		58,632	45,017
Total non-current liabilities		150,910	225,336
Total liabilities		971,329	1,921,404
Net assets		907,746	469,421
Equity			
Issued capital	7	3,580,968	1,747,563
Reserves		87,776	189,485
Accumulated losses		(2,752,045)	(1,463,255)
Equity attributable to the owners of Boresight Ltd		916,699	473,793
Non-controlling interest		(8,953)	(4,372)
Total equity		907,746	469,421

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes

	Issued capital $	Share-based payment Reserve $	Foreign exchange Reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2024	1,747,563	58,856	646	(744,988)	1,062,077
Loss after income tax expense for the period	-	-	-	(217,603)	(217,603)
Other comprehensive income for the period, net of tax	-	-	(19,761)	-	(19,761)
Total comprehensive income for the period	-	-	(19,761)	(217,603)	(237,364)
Transactions with owners in their capacity as owners:					
Share-based payments (note 9)	-	5,765	-	-	5,765
Balance at 31 December 2024	**1,747,563**	**64,621**	**(19,115)**	**(962,591)**	**830,478**

	Issued capital $	Share-based payment Reserve $	Foreign exchange Reserve $	Equity reserve $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2025	1,747,563	96,909	45,811	46,765	(1,463,255)	(4,372)	469,421
Loss after income tax expense for the period	-	-	-	-	(1,288,790)	(4,821)	(1,293,611)
Other comprehensive income for the period, net of tax	-	-	(62,291)	-	-	240	(62,051)
Total comprehensive income for the period	-	-	(62,291)	-	(1,288,790)	(4,581)	(1,355,662)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs (note 7)	1,786,640	-	-	-	-	-	1,786,640
Share-based payments (note 9)	-	7,347	-	-	-	-	7,347
Transfer to share capital on settlement of convertible notes	46,765	-	-	(46,765)	-	-	-
Balance at 31 December 2025	**3,580,968**	**104,256**	**(16,480)**	**-**	**(2,752,045)**	**(8,953)**	**907,746**

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

	Note	31 Dec 2025 $	31 Dec 2024 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,568,597	3,036,427
Payments to suppliers and employees (inclusive of GST)		(3,610,965)	(2,575,322)
Proceeds from government grants		347,184	143,480
		(695,184)	604,585
Interest received		317	-
Interest and other finance costs paid		(2,050)	(14,731)
Income taxes paid		(63,487)	(5,009)
Net cash from/(used in) operating activities		(760,404)	584,845
Cash flows from investing activities			
Payments for plant and equipment		(40,958)	(413,131)
Net cash used in investing activities		(40,958)	(413,131)
Cash flows from financing activities			
Proceeds from issue of shares	7	1,501,020	-
Proceeds from borrowings		76,227	30,000
Repayment of borrowings		(340,783)	(30,000)
Repayment of lease liabilities		(54,796)	(57,915)
Net cash from financing activities		1,181,668	(57,915)
Net increase in cash and cash equivalents		380,306	113,799
Cash and cash equivalents at the beginning of the financial period		568,962	112,673
Effects of exchange rate changes on cash and cash equivalents		(6,704)	(370)
Cash and cash equivalents at the end of the financial period		942,564	226,102

Note 1. Reporting Entity

These condensed consolidated financial statements cover Boresight Ltd (**Company**) and its controlled entities as a consolidated entity (also referred to as **Group**). Boresight Ltd is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity.

The financial statements were issued on 1 April 2026 by the directors of the Company.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

Going Concern

The consolidated financial statements have been prepared on a going-concern basis, which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

For the half year ended 31 December 2025, the Group incurred a loss after income tax of $1,293,611 (31 December 2024: $217,603) and net cash outflows from operating of $760,404 (31 December 2024: cash inflows of $584,845) net cash outflows from investing activities of $40,958 (31 December 2024: $413,131). As at 31 December 2025, the Group had net current assets of $564,381 (30 June 2025: $28,748). Cash and cash equivalents as at 31 December 2025 amounted to $942,564 (30 June 2025: $568,962).

The Directors have approved a detailed cashflow forecast which indicates the Group will be required to raise funds in order to provide additional working capital and to continue to fund the proposed level of business activities. The Group is planning an Initial Public Offering (IPO) on the Australian Securities Exchange, anticipated for mid-2026. The ability of the Group to continue as a going concern is dependent on successful IPO completion, or securing the additional funding required through alternative means.

This condition indicates a material uncertainty that may cast a significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors believe that there are reasonable grounds that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Group's successful capital raises of $1,450,000 in November 2025 and $1,173,600 in March 2026; and
- The ability of the Group to scale back certain parts of its activities that are non-essential to conserve cash until the required funding is in place.

Note 2. Material accounting policy information (continued)

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Note 3. Operating segments

Identification of reportable operating segments
The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. At 31 December 2025 the Group's strategic operating segments comprise of Australia and United States, consistent with 30 June 2025 and 31 December 2024.

Intersegment transactions
The US operating segment purchases physical goods from the Australian operating segment. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers
At 31 December 2025 the Group has two major customers comprising 49% and 24% of total revenues (31 December 2024: three major customers comprising 31%, 29% and 24% of total revenues).

Operating segment information

	Australia	USA	Intersegment	Other segments	Total
Consolidated – 31 December 2025	$	$	$	$	$
Revenue					
Sale of physical goods	1,510,537	1,097,818	(537,829)	-	2,070,526
Sale of services	156,670	197,228	(8,702)	-	345,196
Other	50,731	-	(19,568)	-	31,163
Total revenue	1,717,938	1,295,046	(566,099)	-	2,446,885
Other income	10,458	-	-	-	10,458
Operating expenses	(3,083,740)	(1,288,159)	620,945	-	(3,750,954)
Net profit/(loss) before tax	(1,355,344)	6,887	54,846	-	(1,293,611)
Assets					
Segment assets	1,807,224	44,655	27,196	-	1,879,075
Total assets					1,879,075
Liabilities					
Segment liabilities	919,610	219,692	(167,973)	-	971,329
Total liabilities					971,329

Note 3. Operating segments (continued)

Consolidated – 31 December 2024	Australia $	USA $	Intersegment $	Other segments $	Total $
Revenue					
Sale of physical goods	1,268,458	646,311	(501,023)	-	1,413,746
Sale of services	747,753	-	-	-	747,753
Other	58,550	30,406	(29,978)	-	58,978
Total revenue	2,074,761	676,717	(531,001)	-	2,220,477
Other income	30,257	-	-	-	30,257
Operating expenses	(2,281,915)	(744,352)	562,939	-	(2,463,328)
Net profit/(loss) before tax	(176,897)	(67,635)	31,938	-	(212,594)
Consolidated – 30 June 2025					
Assets					
Segment assets	2,394,226	156,362	(159,763)	-	2,390,825
Total assets					2,390,825
Liabilities					
Segment liabilities	1,910,646	341,801	(331,043)	-	1,921,404
Total liabilities					1,921,404

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 4. Revenue

	31 Dec 2025 $	31 Dec 2024 $
Sale of physical goods	2,070,526	1,413,746
Services	345,196	747,753
Other (shipping)	31,163	58,978
	2,446,885	2,220,477

Disaggregation of revenue:

	31 Dec 2025 $	31 Dec 2024 $
Timing of revenue recognition		
Goods transferred at a point in time	2,101,689	1,472,724
Services transferred over a period of time	345,196	747,753
	2,446,885	2,220,477

Note 5. Trade and other receivables

	31 Dec 2025 $	30 June 2025 $
Current assets		
Trade receivables	192,658	409,815
Other receivables	65,839	347,184
	258,497	756,999

Note 6. Borrowings

	31 Dec 2025 $	30 June 2025 $
Current liabilities		
Bank credit card	31,248	-
Insurance premium funding	4,669	32,686
Convertible notes	-	227,718
Loan from Criterion Solutions Pty Ltd	-	240,000
	35,917	500,404
Non-current liabilities		
Loan from Criterion Solutions Pty Ltd	-	30,000
Total borrowings	35,917	530,404

Convertible Notes

At 30 June 2025 the Company has on issue 265,000 convertible notes with a face value of $1.00 each maturing on 4 February 2027. All convertible notes automatically convert to shares on the earliest of the maturity date or the occurrence of a conversion event. A conversion event occurs if Company raise's a minimum of $1M at a valuation of a minimum of $7M in a round of fundraising.

The notes bear interest at 10% per annum, with interest capitalised and settled through the issue of ordinary shares on conversion.

The 265,000 notes including accrued interest of $20,619 were converted to ordinary shares on 15 November 2025 (note 7).

A reconciliation of the face values of convertible notes to amounts presented on the condensed consolidated statement of financial position is as follows:

	31 December 2025 $	30 June 2025 $
Opening balance	227,718	-
Proceeds from convertible notes	-	265,000
Equity component at inception	-	(46,765)
Effective interest	37,282	9,483
Coupon interest	20,620	-
Settled through the issue of ordinary shares (note 7)	(285,620)	-
Closing balance	-	227,718

Note 6. Borrowings (continued)

Loan from Criterion Solutions Pty Ltd

At 30 June 2025 the Company has an unsecured loan agreement in place with Criterion Solutions Pty Ltd for with a maximum drawdown of up to $360,000, with an amount drawn down of $270,000 at year end. The loan bears interest at 10% per annum and is repayable in monthly instalments of $20,000 commencing from 1 April 2025. The loan was repaid in full during the half year ended 31 December 2025.

Movements in the loan account are as follows:

	31 Dec 2025 $	30 June 2025 $
Opening balance	270,000	-
Advances received	44,978	310,000
Repayments	(312,767)	(40,000)
Gain on forgiveness of debt	(2,211)	-
Closing balance	-	270,000

Accrued interest on the loan of $7,929 recorded within trade and other payables at 30 June 2025 was forgiven by Criterion during the half year. Interest ceased being charged on the loan with effect from 1 July 2025.

Note 7. Issued capital

	31 Dec 2025 Shares	30 June 2025 Shares	31 Dec 2025 $	30 June 2025 $
Ordinary shares - fully paid	347,361	264,723	3,580,968	1,747,563

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2025	264,723		1,747,563
Conversion of convertible notes	15 November 2025	11,168	$25.57	285,620
Transfer from equity reserve convertible note settlement	15 November 2025	-	-	46,765
Issue of ordinary shares	30 November 2025	21,505	$0.005	100
Issue of ordinary shares	30 November 2025	47,974	$30.22	1,450,000
Conversion of Employee Share Plan Options	30 November 2025	1,991	$25.58	50,920
Balance	31 December 2025	347,361		3,580,968

The Company converted from a private to a public company on 17 March 2026 and, on the same date, completed a 465-for-1 share split. As the split occurred subsequent to year end all share numbers and issue prices presented above are on a pre-split basis.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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.

Share buy-back

There is no current on-market share buy-back.

Note 8. Earnings per share

	31 Dec 2025 $	31 Dec 2024 $
Loss after income tax	(1,293,611)	(217,603)
Non-controlling interest	4,821	-
Loss after income tax attributable to the owners of Boresight Ltd	(1,288,790)	(217,603)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	279,637	264,723
Weighted average number of ordinary shares used in calculating diluted earnings per share	279,637	264,723

	Cents	Cents
Basic earnings per share	(479.01)	(82.22)
Diluted earnings per share	(479.01)	(82.22)

Note 9. Share-based payments

Share-based payment expense comprised as follows:

	31 Dec 2025 $	31 Dec 2024 $
Share-based payment expense during the half year ended 31 December 2025 in respect of options issued in prior periods	7,347	5,765

As at 31 December 2025 the Group has the following share based payment options on issue:

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised during the half year	Expired/ forfeited/ other	Balance at the end of the period
01/12/2022	01/12/2027	N1	3,375	-	-	-	3,375
01/12/2022	01/12/2027	N1	3,375	-	-	-	3,375
01/12/2022	01/12/2027	N1	3,375	-	-	-	3,375
01/12/2022	01/12/2027	N1	3,375	-	-	-	3,375
11/01/2023	11/01/2028	$15.00	852	-	-	-	852
11/01/2023	11/01/2028	$15.00	852	-	-	-	852
11/01/2023	11/01/2028	$15.00	852	-	-	-	852
31/01/2025	31/01/2030	N1	6,310	-	(1,991)	-	4,319
31/01/2025	31/01/2030	N1	2,876	-	-	-	2,876
			25,242	-	(1,991)	-	23,251

N1 - Exercise price being 15% discount to fair market value (FMV).

No share-based payment arrangements were granted during the half-year ended 31 December 2025.

Note 10. Related party transactions

There were no material changes to the related party transactions disclosed in the annual report for the year ended 30 June 2025, except for the following:

Key management personnel remuneration
Justin Olde was appointed CEO of the Company in November 2022. Mr Olde received a $50,000 per annum increase in salary with effect from 12 December 2025 upon his transition from CEO to CEO and Managing Director.

Michael Sinkowitsch and Andrew Windsor commenced receiving director fees of $60,000 per annum plus superannuation with effect from 12 December 2025. Director fees accrued for the period from 12 to 31 December 2025 amount to $3,409 and are payable to each of Mr Sinkowitsch and Dr Windsor as at 31 December 2025.

Expense recorded in relation to the pro-rata vesting expense of options granted in a prior period to Justin Olde is $1,417 at 31 December 2025.

Convertible notes held by related parties
Director Michael Sinkowitsch was issued 100,000 convertible notes in the Company in March 2025. The convertible notes together with accrued interest of $7,781 were converted to 4,214 fully paid ordinary shares in the Company on 15 November 2025. Convertible notes are on the same terms and conditions as those held by unrelated third parties. Refer to note 6 for convertible note terms and conditions.

Loans from related parties
Refer note 6 regarding movements in the Company's loan payable to Criterion Solutions Pty Ltd during the half year. There is no balance receivable from or payable to Criterion Solutions Pty Ltd at 31 December 2025. Criterion Solutions Pty Ltd is a related party through common directors Andrew Windsor and Michael Sinkowitsch.

Director participation in capital raisings
Director Andrew Windsor and his related parties subscribed for $22,322 of shares in the 30 November share placement at a price of $30.22 per share.

Director Blake Burton subscribed for $20,000 of shares in the 30 November 2025 share placement at a price of $30.22 per share. A related party of Mr Burton subscribed for $575,000 in the 30 November 2025 share placement at a price of $30.22 per share. Mr Burton's related party also subscribed for $36 in the 30 November 2025 share placement at a price of $0.005 per share.

Director and related party participation in share subscriptions were on the same terms and conditions as unrelated third party participants.

Note 11. Events after the reporting period

Blake Burton was appointed as a director and Kyla Garic appointed as company secretary on 1 March 2026.

The Company converted from a private company to a public company on 17 March 2026 and undertook a share split on a ratio of 465 for 1 on the same date.

On 18 March 2026 the Company issued 7,500,000 shares to raise $1,173,600, net of costs of $26,400.

The following transactions have occurred in respect of options over ordinary shares in the Company:
- On 12 March 2026 10,811,715 employee share plan options were cancelled.

Numbers of options reported above are on a post-split basis.

On 18 March 2026 the Company acquired the minority shareholding of Boresight UK Ltd, bringing its ownership to 100%.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial period ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

____
Dr Andrew Windsor
Non-Executive Chairman

1 April 2026

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BORESIGHT LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Boresight Ltd ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Consolidated Entity does not comply with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Consolidated Entity financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Consolidated Entity incurred a net loss of $1,293,611 during the half year ended 31 December 2025. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

HALL CHADWICK

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

JASLYN CHAN CA
Director

Dated this 1st day of April 2026
Perth, Western Australia