



Ktek Aerosystems Ltd

ASX Announcement
14 May 2026

KTEK AEROSYSTEMS LTD
ACN 696 412 138

PRE-QUOTATION DISCLOSURE – STATEMENT OF CONFIRMATIONS

KTEK Aerosystems Ltd (ACN 696 412 138) (**Company**) provides the following confirmations to satisfy conditions for the admission of the Company's securities to quotation on the official list of the ASX.

Unless otherwise stated, capitalised terms used in this announcement have the meaning given in the Company's prospectus dated 13 April 2026 (**Prospectus**).

Completion of Offers

The Company confirms that all of the Offers under the Prospectus closed at 5:00PM (WST) on 8 May 2026 and on 12 May 2026 the Company issued:

- (a) 50,000,000 fully paid ordinary shares (**Shares**) to applicants under the Offer, at an issue price of \$0.20 per Share to raise \$10,000,000;
- (b) 60,000,000 Shares under the exchange agreement dated 23 March 2026 between the Company and KTeK Ltd (a company organized under the laws of the State of Israel with registration number 516020351), Dekel Keisar, and Ayal Klinemintz (**Exchange Agreement**) as follows:
 - (i) 51,000,000 Shares to Dekel Keisar (issued to ESOP Management and Trust Services Ltd <Mr Dekel Keisar A/C>); and
 - (ii) 9,000,000 Shares to Ayal Klinemintz (issued to ESOP Management and Trust Services Ltd <Mr Ayal Klinemintz A/C>);
- (c) 7,000,000 options to acquire shares (**Options**), exercisable at \$0.30 and expiring three (3) years from the date of issue, in consideration for management services provided to the Company, as follows:
 - (i) 3,000,000 Options to Howard Digby (or his nominees);
 - (ii) 2,000,000 Options to Winton Willesee (or his nominees);
 - (iii) 2,000,000 Options to Christopher Baxter (or his nominees); and
- (d) 5,000,000 Options, exercisable at \$0.30 and expiring three (3) years from the date of issue to CPS Capital Group Pty Ltd (AFSL 294848) (or their nominees) in consideration for lead manager services provided to the Company.

Final Capital Structure

The Company confirms that, on completion of the Offers and Admission to the Official List of ASX, the Company's issued capital will be as outlined below.

CLASS	NUMBER
Fully paid ordinary shares	140,000,000
Options	12,000,000

Exchange Agreement

The Company confirms that all conditions precedent to settlement under the Exchange Agreement have been satisfied, and the Exchange Agreement has become unconditional and remains in full

force and effect. The Company confirms that, as at the date of this announcement, in accordance with the terms of the Exchange Agreement, it has issued:

- (a) 51,000,000 Shares to Dekel Keisar (issued to ESOP Management and Trust Services Ltd <Mr Dekel Keisar A/C>); and
- (b) 9,000,000 Shares to Ayal Klinemintz (issued to ESOP Management and Trust Services Ltd <Mr Ayal Klinemintz A/C>);

Convertible Notes

The Company confirms that the conversion of \$2,500,000 of convertible notes took place on 12 May 2026, and 25,000,000 Shares were issued accordingly, as described under section 10.5 of the Prospectus.

Dutch Export Licence

The Company confirms that there is not yet an update on the grant of the replacement export licence of export licence NL0074CDIU0187335 issued by the Central Import and Export Office of the Dutch Customs Authority and held by KTeK NL B.V.

As previously advised, the licence authorises the export of components from the Netherlands to Israel for a specific customer program. However, the same customer may also be supplied through alternative routes, and the licence relates to a logistics pathway rather than a discrete revenue line.

In the event that the license was not granted, the Prospectus disclosed that:

- (a) The Company has the ability to apply for equivalent authorisation in an alternative jurisdiction and relocate the relevant assembly activity, however there would be significant costs and production delays incurred as a result of the relocation.
- (b) Alternatively, the Company could relocate its existing manufacturing and assembly to Israel and commence production through an existing partner arrangement, however this would result in higher operating costs than are currently incurred under the current manufacturing operations in Portugal and Thailand and assembly operations in the Netherlands.

However, the Company is confident that the licence will be granted on the basis that the Company's previous export licence was granted during a period of heightened conflict in the region. The Company understands that the products supplied under this licence are ultimately deployed in applications serving EU member states and the United States, which the Company considers supportive of a favourable licensing outcome.

The current licence is valid until 31 May 2026. The Company applied for the replacement licence on 9 April 2026, and the application remains within standard processing timeframes given the approximately eight-week decision period.

Middle East Conflict

The Company confirms that there has not been a material change to the disclosure (as set out in the Key Risks section in the Prospectus) regarding the impact of the Middle East Conflict on the Company's Israeli operations, supply chains, and customer relationships, or the Company's business, financial performance, and prospects.

Statement of Commitments

The Company confirms that it intends to apply funds raised from the Offer, together with existing cash reserves post-Admission, over the first two years following Admission as follows:

FUNDS AVAILABLE	MAXIMUM SUBSCRIPTION (\$) (\$10,000,000)	PERCENTAGE OF FUNDS (%)
Existing cash reserves ¹	172,000	1.69%
Funds raised from the Offer	10,000,000	98.31%
Total	10,172,000	100.00%
Allocation of funds		
US expansion ²	3,100,000	30.49%
Tooling and manufacturing capacity increase	1,350,000	13.27%
Sales & marketing	862,000	8.47%
Research & development	3,000,000	29.49%
Working capital ³	750,000	7.37%
Expenses of the Offer ⁴	1,110,000	10.91%
Total	10,172,000	100.00%

Notes:

1. Refer to the Financial Information set out in Section 7 of the Prospectus for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer.
2. The Company intends on establishing and scaling the Company's operational, commercial and compliance footprint in the United States to support participation in US-based aerospace and defence programs. This may include securing required regulatory and export control registrations and approvals, developing local customer and partner relationships, investing in business development and sales resources and assessing or implementing local assembly, manufacturing or supply-chain capabilities to meet US customer procurement and security requirements. The objective of the USA expansion initiative is to position the Company to access and service US aerospace and defence customers and programs in accordance with applicable regulatory frameworks and market practices.
3. The Company intends to use these funds to support the Company's day-to-day operating requirements and general corporate purposes. This may include payment of employee and contractor costs, inventory and materials procurement, supplier payments, facility and administrative expenses, professional fees, insurance, regulatory compliance costs and other overheads incurred in the ordinary course of business. The allocation to working capital is intended to provide operational flexibility and liquidity to support program execution, manage timing differences between customer receipts and supplier payments, and sustain ongoing operations as the Company implements its growth strategy.
4. Refer to Section 11.7 of the Prospectus for further details.

Restricted Securities

The Company confirms the following Securities will be subject to restriction pursuant to the ASX Listing Rules for the period outlined below.

CLASS	NUMBER	RESTRICTION PERIOD
Fully paid ordinary shares	11,670,000	12 months escrow from the date of the Company's admission to the Official List
Fully paid ordinary shares	65,830,000	24 months escrow from the date of the Company's admission to the Official List
Options	12,000,000	24 months escrow from the date of the Company's admission to the Official List