8 July 2026

KTEK advances US expansion with export licence application for exports to the United States

Highlights

- **KTEK has lodged an application with the Netherlands Central Import and Export Office (CDIU) for a licence to export components from its Netherlands facility into the United States.**
- **If granted, the licence will allow components manufactured in Europe to be imported and assembled at KTEK's Los Angeles facility, announced in June 2026, with finished product sold to US customers.**
- **The planned trans-Atlantic supply corridor adds a further distribution route to KTEK's established shipments from the Netherlands into Israel and Europe, extending the geographic resilience and logistics efficiency objectives outlined at the time of the US facility announcement.**
- **The application delivers on the US expansion program set out in the Company's April 2026 IPO Prospectus, which allocated approximately 30% of funds raised to US expansion - including regulatory and export control approvals and local assembly capability - over the two years following Admission. Key steps have now been completed within the first three months of that period.**
- **The United States is the world's largest defence market, with total defence funding of approximately US$1 trillion in FY2026 and rapidly growing investment in unmanned systems.**
- **KTEK has met with several existing and potential new customers to understand their US demand. Discussions, while encouraging, are ongoing, and no binding commitments have been entered into at this stage.**

KTEK Aerosystems Ltd (ASX: KTK) (**KTEK** or the **Company**), a Tier-2 supplier of composite airframes and electromechanical assemblies for military and commercial unmanned aerial vehicles (UAVs), is pleased to announce a further milestone in its United States expansion, with the lodgement of a Netherlands export licence application for exports to the United States, enabling its US operations to be supplied from the Company's European production base.

Export licence application for exports to the United States

KTEK has applied to Netherlands Central Import and Export Office (CDIU) for a licence to export components from the Group's European operations, shipped from its Netherlands facility, into the United States, and to assemble those components at its Los Angeles facility. If granted, the licence will enable finished product to be assembled and delivered to customers in the US market from KTek's US operations.

The application was lodged on 6 July 2026. Assessment timeframes are a matter for the relevant authority, and the Company will update the market when the outcome of the application is known.

US facility ready to receive product

The application follows the Company securing its US production and engineering facility in Los Angeles, California, announced on 9 June 2026. The facility provides office space for customer engagement along with warehouse space intended for production and assembly, and will also house the high-value engineering, technology and design work through which KTEK solves customer product requirements.

Together, the facility and the export licence would form the two key building blocks of KTEK's US route to market: a local site at which product can be assembled, demonstrated and delivered, and a supply corridor connecting that site to the Company's established European manufacturing base.

Strategic rationale

The new corridor adds a second distribution route from KTEK's Netherlands facility, complementing the Company's established shipments into Israel. Serving US customers from a US facility, supplied from Europe, extends the geographic resilience, logistics efficiency and revenue diversification objectives set out at the time of the US facility announcement, and reduces the Company's reliance on any single market or shipping route.

The United States is the world's largest defence market, with total defence funding of approximately US$1 trillion in FY2026, including substantial and growing investment in unmanned and counter-unmanned systems. Establishing an in-country assembly and delivery capability positions KTEK to participate in that demand as a local supplier.

The milestone also represents rapid delivery against the US expansion program set out in the Company's IPO Prospectus dated 13 April 2026. The Prospectus allocated between A$2.5 million and A$3.1 million (approximately 30% of funds raised under the Offer) to US expansion over the first two years following Admission, with that program to include securing required regulatory and export control registrations and approvals and implementing local assembly and supply chain capability. With the Los Angeles facility secured in June 2026 and the export licence application now lodged, KTEK has completed key steps of that program within the first three months of the two-year deployment period.

Customer engagement

KTEK has met with a number of existing customers and potential new customers regarding their current and prospective demand in the United States. No binding agreements have been entered at this stage, and there is no certainty that the discussions will result in binding commitments. These discussions are ongoing and the Company is encouraged by the tenor of these discussions and the level of opportunity that has presented itself.

Management commentary

Dekel Keisar, Founder and Managing Director, KTEK Aerosystems, said:

"The US is the largest and most demanding defence market in the world, and our customer discussions indicate a preference for product to be delivered locally. With the Los Angeles facility secured and this licence application lodged, we are building the supply chain to do exactly that - manufacture in Europe, assemble in the US, and deliver to US customers from a US address.

"Adding a second route out of our Netherlands facility, alongside our established shipments into Israel, gives KTEK genuine flexibility in how we serve customers across three continents. We are delivering the US program we set out at IPO well inside the two-year window we gave ourselves, and the conversations we are having with existing and potential US customers give us real confidence in the demand behind this investment."

Next steps

The grant of the export licence is subject to assessment by the CDIU, and there is no certainty as to the timing or outcome of the application. Subject to the licence being granted, KTEK intends to commence shipments of components to the Los Angeles facility and progress fit-out and assembly readiness in parallel. The Company will keep the market informed of material developments.

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

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About KTEK Aerosystems

KTEK Aerosystems (ASX: KTK) is a Tier-2 supplier of composite airframes and electromechanical assemblies for military and commercial UAVs. The Company delivers built-to-spec, full-turnkey (FTK) sub-assemblies - combining mechanical, electrical and firmware components into qualified ship-ready units - across four product lines:

- composite airframes (UAV fuselage structures, wings and control surfaces, lightweight aerospace composites);
- electromechanical assemblies (actuation modules, avionics trays and mounts, power distribution systems);
- rugged defence systems (shock-isolated racks and cabinets, EMC-hardened enclosures, mission system infrastructure); and
- systems integration and kitting (MIL-spec harnessing, PCBA integration, firmware loading and acceptance testing). The result is Tier-1 rigour without Tier-1 overhead.

KTEK operates a scalable, asset-light “Cordless Factory” model, retaining engineering design, structural analysis and quality assurance in-house while outsourcing physical manufacturing to a certified global partner network across Israel, Europe, Thailand and the United States. This structure enables rapid production scaling in response to new customer demand without the capital expenditure of a traditional defence manufacturer. Positioned as a “picks and shovels” supplier into the defence ecosystem, KTEK benefits from structural tailwinds in global military spending and UAV adoption without the complexity of direct government contracting. Beyond defence, the Company also supplies agricultural and delivery drone operators, providing a further growth dimension independent of defence budget cycles.

KTEK is led by Founder and Managing Director Dekel Keisar, Mechanical Engineer (B.Sc., Tel Aviv University) with hands-on experience across more than 20 military UAV platforms and previously Head of UAV Structural Engineering at Israel Aerospace Industries. The Board is chaired by Howard Digby, who brings 25+ years managing technology businesses in Asia-Pacific, 13 years of involvement with ASX-listed companies, and is the founding Non-Executive Director of Elsight Ltd (ASX: ELS) - a defence-focused drone communications company that grew from an ~A$18 million IPO to a market capitalisation exceeding A$1.5 billion. Non-Executive Director Winton Willesee contributes 25+ years in capital markets with expertise in company development, corporate governance, M&A and company secretarial practice across listed and private companies. Non-Executive Director Chris Baxter adds 30+ years in financial services and private equity, with recent focus on Ukrainian military UAV technology, advisory roles with leading drone OEM Skyeton, and strong networks across UK and European defence customers and Ministries of Defence.

Website: https://ktek.tech/