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BORESIGHT SIGNS LEASE FOR 15X LARGER USA MANUFACTURING FACILITY

New 812m² Huntsville Alabama facility to expand manufacturing capacity and support growing demand for aerial target drone production

Highlights:

- New Huntsville Alabama facility spans 812 square metres, approximately 15 times the size of the current Boresight Huntsville site.
- Boresight to invest in additional 3D printing and supporting technology to increase production scale at the facility.
- US-based manufacturing supports "Made in the USA" positioning and reduces exposure to import tariffs and trade policy risk.
- The facility will manufacture Boresight's BQ-400 aerial target drone, (over 6,000 sold to date), and the new BQ-750 Block 2 with plans to produce all Boresight products for the US market over time.
- New facility provides additional space to grow the Boresight US sales and support team.

Boresight Ltd (ASX: BST, "Boresight" or "the Company") is pleased to announce the signing of a lease for a new US manufacturing facility in Huntsville, Alabama. This 812 square metre facility is approximately 15 times the size of the current Boresight US facility. The lease is on normal commercial terms for a 3 year period with options for extensions.

Boresight will purchase additional 3D printing and other supporting technology for the facility to increase the scale of production. The expanded footprint will significantly increase Boresight's US manufacturing capacity to meet growing US demand from military and defence industry customers for its aerial target drones.

The facility will initially be able to manufacture more than 5000 of Boresight's BQ-400 aerial target drones per year. Once fully operational it will be able to manufacture all of Boresight's aerial target drone offerings at scale, with sufficient space available to continue growing capacity as customer demand increases.



Boresight Ltd



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This increase in production capacity will enable economies of scale and bulk purchasing of components, driving manufacturing cost savings.

Manufacturing in the US alleviates possible issues with import tariffs or other US government policy decisions that may affect imports. It also enables a "Made in the USA" stamp or similar to be applied, of increasing importance within the US military market.

Huntsville Alabama is an important location within the US defence environment. It is a large US government and defence industry hub, including being home to multiple Counter-Uncrewed Aerial Systems (C-UAS) focused companies. The Alabama State, Huntsville City and local County governments have been strong supporters of Boresight since first establishing a US entity in the city in 2023.

Moving production closer to the customer will enable Boresight to more quickly meet demand for its products, increasing customer lock-in, as well as reducing freight costs associated with delivery from Australia.

This new facility will also enable the hiring of additional sales, drone technicians and support staff, bringing them together under one roof for enhanced coordination and efficiency. Additional sales staff will increase Boresight's market reach whilst additional drone technicians will increase aerial target drone production output.

The Australian facility will continue to manufacture for the non-US market and remain the innovation hub for Boresight globally.

Justin Olde, Boresight's Managing Director & Chief Executive Officer, commented:

"This new facility will allow Boresight to expand and scale our manufacturing capacity to meet surging demand from our US based customers, both the military and industry. It enables a massive scaling of production from the hundreds to thousands of aerial target drones, driving up efficiencies and driving down costs.

The ability to service US customers directly from our US facility increases our responsiveness to customer requirements whilst reducing delivery lead times and freight costs. It also helps to insulate Boresight from US Government decisions on import tariffs and other policy changes that may occur. Our Fyshwick, Australia hub will remain a key part of the Boresight footprint, manufacturing for non-US customers and as the place where we innovate and develop new products."



Next Steps

Boresight has taken occupancy of the new Huntsville facility and will move production capacity from its existing site to the new facility commencing in August 2026 with the aim that this is completed by end-September 2026.

This announcement has been authorised for release by the board of Directors.

-ENDS-

For further information, please contact:

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ABOUT BORESIGHT LTD (ASX:BST)

Boresight delivers an integrated aerial target drone ecosystem that enables realistic C-UAS training and testing for government and industry. The company's systems combine attritable aerial target drones, mission planning software and scalable ground control systems to support threat emulation and operational readiness.

Boresight's platform range includes quadrotor and fixed-wing aerial target drones designed to replicate evolving drone threats and enable repeatable testing and training scenarios without risking high-value ISR assets.

With teams in Australia, the United States and Europe, Boresight supports customers globally with scalable C-UAS training solutions, integrated engineering and production capabilities.

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Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices, or potential growth of Boresight Ltd are, or may be, forward-looking statements. Such statements relate to future events and expectations and as such, involve known and unknown risks and uncertainties. These forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties, and other factors, many of which are beyond the Company's control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

The Company cautions shareholders and prospective shareholders not to put undue reliance on forward-looking statements, which reflect the Company's expectations only as of the date of this announcement. The Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

