

Q3 2025 Report & Business Update – When Profitability Feeds Acceleration

Elsight Limited (ASX: ELS) (“Elsight” or “the Company”), the carrier-agnostic, multi-path connectivity solutions company, today announces another **record-breaking quarter**, marking a key inflection point where for the first time in the Company's history, it **shows a profit for the 9-months period**, confirming Elsieht’s position in the centre of a **perfect storm of demand, execution, and market expansion**.

Q3 2025's Unprecedented Performance

Exceeding all previous quarters moves Elsieht to profitability

Elsight delivered its **highest-ever quarterly revenue of ~US \$8.7 million (~A \$13.6 million)**, representing a **1,804 % increase year-on-year** and **130% growth over Q2 2025**, bringing cumulative 2025 revenue to **~US \$13.5 million (~A \$21 million)**.

Ending another profitable quarter, **the Company has now achieved profitability for the full year-to-date**, marking a historic turning point for Elsieht and validating its scalable, high-margin, and cash-efficient business model.

Elsight ended the quarter with **US \$50 million in cash**, providing a strong foundation for further expansion and shareholder value creation.

Profitability with growth discipline

While maintaining profitability, Elsieht continues to focus on **top-line growth and long-term market penetration**. The Company is accelerating investments in **sales, marketing, and customer engagement** to convert its record opportunity pipeline into sustained multi-year expansion.

Commercial traction complementing defence rapid growth

Alongside strong defence demand, Elsieht’s **commercial segment** continues to deliver solid growth, **more than doubling its revenue over the previous quarter and more than triple YoY**. Commercial deployments now span public safety, logistics, infrastructure inspection, and drone-as-a-service, confirming Halo’s scalability beyond defence applications and its growing role in the broader connected-mobility ecosystem.

Recurring revenue momentum

Recurring revenue from software licenses, cloud services, and connectivity subscriptions reached **~US \$878 k in Q3**, representing **10% of total revenue and a 314 % year-on-year increase**.

These high-margin revenue streams strengthen financial visibility and will form an increasingly material component of future performance.

Business Update

A perfect storm: market tailwinds, execution, and scale

Elsight’s results reflect the convergence of powerful industry forces - **surging defence budgets, rapid adoption of uncrewed systems, and regulatory acceleration in commercial drone integration** - all meeting operational execution and capital strength.

This **perfect storm** positions Elsieht to accelerate its growth trajectory and expand leadership in both defence and commercial markets.

Recognition through ASX Index inclusion

Effective 22 September 2025, Elsieht was added to both the **S&P/ASX All Ordinaries Index** and the **S&P/ASX All Technology Index**, increasing visibility among institutional investors and reinforcing its momentum as a high-growth technology company.

Expanding sales & marketing efforts to capitalise on market opportunity

To capitalise on its expanding opportunity pipeline, Elsieht is executing a focused commercial growth strategy aimed at driving revenue expansion and margin improvement. **Strategic investments in experienced personnel, targeted marketing, and increased industry visibility** are being implemented to accelerate customer acquisition, strengthen long-term partnerships, and translate market momentum into sustained financial growth and shareholder value.

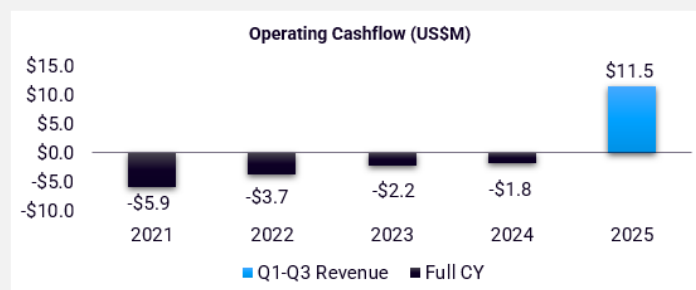
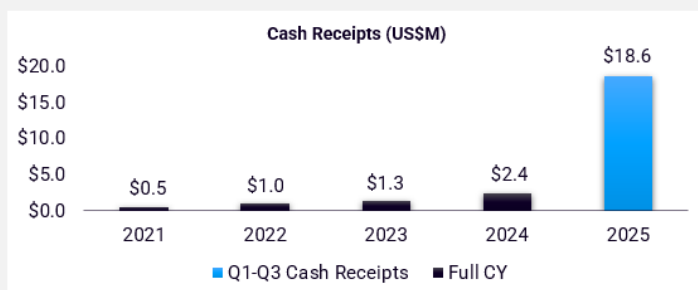
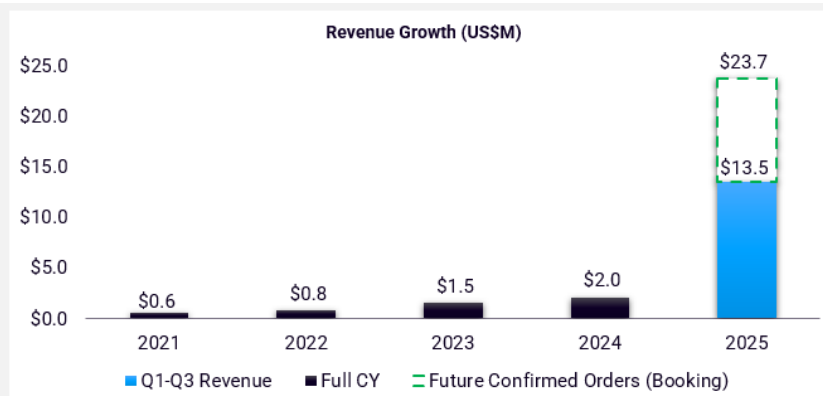


Table 1 Unaudited annual YOY numbers, with the green line in the revenue chart illustrating the orders commitment in CY2025

Third Consecutive Quarter of Increased Revenue

Elsight is excited to report its highest-ever quarterly revenue for the **third consecutive quarter**, ~US\$8.7M (~A\$13.6M) with a cumulative total of Q1- Q3 of ~US\$13.5M (~A\$21M). This represents a **130% increase over Q2 2025** and a **771% increase in Q1-Q3** cumulative amount in comparison with 2024 YoY.

The Company also maintains a visible order book of ~US \$10.2 million (~A \$15.9 million), supporting continued momentum.



Table 2 Unaudited quarterly QOQ numbers

Profitable, sustainable, and cash-efficient model

Elsight's strong revenue growth trajectory is driven by a **high-margin, cash-positive business model** designed for scalability and resilience. Contracts are structured on favourable commercial terms, delivering **software-like gross margins** that reflect the **premium, mission-critical nature of the Halo platform**. Contracts are cash-flow positive, with **up-front material payments**, resulting in minimal working-capital requirements and strong operating cash flow, enabling Elsieht to achieve **profitability on a year-to-date basis** while still **investing in rapid revenue growth**. This performance, achieved through both recurring and hardware sales, reflects accelerating global demand for the Company's Halo platform and highlights Elsieht's ability to secure and scale large-volume, high-margin engagements with strategic defence partners. This model has translated into tangible financial strength.

Continued Government Defence Spending on Autonomous Systems

Elsight is leveraging sustained growth in global defence spending as governments continue to prioritise investment in advanced uncrewed and connected technologies. Supported by a robust **~US\$157M pipeline** of realisable opportunities¹, the Company is well positioned to capture this momentum. Increasing defence and commercial demand further underscores Halo's strategic importance as a critical connectivity enabler in next-generation defence programs.

"This budget is the first year that we are calling out – specifically - our autonomy line in its own section. So, it will be \$13.4 billion for autonomy and autonomous systems," a senior defense official told [DefenseScoop](#).

Governments worldwide are accelerating investment in unmanned and autonomous systems. Two examples are The U.S. FY2026 defence budget, which includes US\$13.6 billion for autonomous systems, with US\$9.4 billion dedicated to drones, and Germany has committed €10 billion to expand its drone capabilities. This global commitment reinforces the strength of the sector and supports continued demand for advanced, reliable connectivity solutions such as Halo.

The Future is Bright: Commercial opportunity expansion

Beyond defence, the Company's commercial footprint continues to strengthen; Elsieht's **commercial** segment continues to deliver solid growth, **more than doubling its revenue over previous quarter and more than triple YoY** with drone-as-a-first-responder programs, infrastructure monitoring, and data-driven aerial services now scaling across multiple regions. This diversification supports recurring revenue growth and broadens Elsieht's long-term addressable market. The recent FAA announcement of regulation Part 108 enables much more scalability for BVLOS flights and creates a critical need for connectivity platforms like Halo. One of Elsieht's major customers, Flock Safety, recently launched their new Flock Aerodome™ Drone as Automated Security (DAS), a turnkey, enterprise-ready aviation solution that gives private sector security teams rapid aerial visibility and broader coverage, integrated with Elsieht's Halo. This is in addition to their fleets serving law enforcement agencies across the United States.

¹ There is no assurance that any of the Company's sales opportunities will result in sales

The Beginning of a Parallel Business Unit at Elsieht

As outlined in the Company's most recent presentation, **Elsieht has established a new business unit** dedicated to developing a new product line that builds on the Company's proven expertise in **cellular connectivity, data integration, and real-time fusion technologies**.

This initiative marks a **significant broadening of Elsieht's product portfolio**, extending its technology leadership into a rapidly expanding segment of the defence and homeland security (HLS) markets. The business unit, led by Roie Gross, who was recently appointed to spearhead this initiative, will operate in stealth mode during its development phase. The Company believes this product family has the potential to **disrupt a large and rapidly growing global market opportunity** estimated at TAM (Total Addressable Market) of more than **US\$20 billion**. This creates a new pillar of growth for Elsieht and **expanding its strategic position across the broader defence-HLS technology ecosystem**.

Advancing Product Development and New Technology Innovation

In parallel with its commercial growth, Elsieht has initiated collaboration with select design customers on its **new, patent-pending technology** for **positioning and navigation in non-GNSS environments**.

This breakthrough innovation aims to provide **reliable and resilient positioning capabilities** in scenarios where traditional satellite-based positioning is unavailable or compromised - a critical challenge in both defence and commercial applications.

The program represents a **strategic expansion of Elsieht's technology stack**, complementing the connectivity solutions and reinforcing the Company's role as a **core enabler of autonomous and uncrewed systems**.

Early engagements with design customers focus on **integration, testing, and performance validation**, paving the way for potential future commercialization opportunities in this rapidly evolving field.

Supply Chain Resilience Enabling Accelerated Delivery

Elsieht's ability to deliver ahead of schedule continues to demonstrate the **strength, agility, and scalability of its supply chain**. Recent deliveries, totalling more than **US\$13.5 million YTD**, were completed **ahead of original timelines**, with production and operations remaining fully uninterrupted even under challenging conditions.

To meet accelerating demand, Elsieht has **expanded production capacity with its existing manufacturing partners** to approximately **US\$100 million per year**, reinforcing its ability to scale rapidly without compromising delivery performance.

In parallel, the Company is continuing to **advance the onboarding of a new manufacturing partner in a NATO country**, which will **further increase total capacity to approximately US \$150 million annually** once operational.

This expansion will enhance geographic diversification and supply continuity. Importantly, Elsieht's production model allows such capacity increases to be achieved **without upfront capital investment**, providing exceptional flexibility, cost efficiency, and readiness to meet growing global demand.

Robust balance sheet and zero debt

Following repayment of its bridge facility, Elsieht ended Q3 2025 **debt-free with US \$50 million in cash**, providing ample capacity to fund continued growth, R&D, and strategic initiatives.

ASX Acknowledgement of Success

Effective as of September 22, 2025, the Company is now included in both the S&P/ASX All Ordinaries Index and the S&P/ASX All Technology Index.

Elsight Webinar Presentation

Elsight plans to hold its **Q3/25 webinar** presentation on **Wednesday, October 29, 2025, at 4:30pm AEDT** to provide a business update and go through the quarter results.

Please register in advance [HERE](#).

This will be an opportunity to hear from the CEO, Yoav Amitai, and the other Directors. The Company looks forward to meeting with our shareholders at this presentation where you will also be given the opportunity to participate in a Q&A session.

Corporate

Cash at the bank on 30 September 2025 totalled **~US\$50M**.

Payments to related parties and their associates during the quarter totalled US\$56K, comprising Directors' fees.

Authorised for release by the Board of Directors of Elsieht Limited.

-ENDS-

For more information, please contact:

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About Elsieht

Elsight (ASX:ELS) (www.elsight.com) Elsieht's flagship product, the Halo, uses multi-link bonding to provide the most robust connectivity for drones and other unmanned systems. By adding cellular communications aggregated with satellite and RF communications, the Halo is 99.99% reliable and cyber-secured. With options for less than a 100-gram card or a boxed ground version, the Halo provides continuous connectivity even in the most challenging areas for stationary, portable, or actively mobile situational requirements. Elsieht's products serve many vertical markets leveraging UAV and UAS technologies, including defence, HLS, public safety, delivery, medical, oil and gas, utilities, inspections, surveillance, and others. Elsieht was founded in 2009.

Appendix 4C

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

Name of entity

ELSIGHT LIMITED

ABN

98 616 435 753

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	9,353	18,589
1.2 Payments for		
(a) research and development	(840)	(1,873)
(b) product manufacturing and operating costs	(1,394)	(2,200)
(c) advertising and marketing	(909)	(1,721)
(d) leased assets	-	-
(e) staff costs	(333)	(705)
(f) administration and corporate costs	(469)	(763)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	215	227
1.5 Interest and other costs of finance paid	(29)	(53)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	44
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	5,594	11,545
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(22)	(46)
(d) investments	-	-
(e) intellectual property	(36)	(134)
(f) other non-current assets	-	-

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(58)	(180)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	39,215	39,215
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	371	502
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2,425)	(2,425)
3.5	Proceeds from borrowings	-	627
3.6	Repayment of borrowings	(641)	(641)
3.7	Transaction costs related to loans and borrowings	-	(19)
3.8	Dividends paid	-	-
3.9	Other – principal elements of lease payments	(106)	(184)
3.10	Net cash from / (used in) financing activities	36,414	37,075

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,474	874
4.2	Net cash from / (used in) operating activities (item 1.9 above)	5,594	11,545
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(58)	(180)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	36,414	37,075

Appendix 4C

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

4.5	Effect of movement in exchange rates on cash held	553	663
4.6	Cash and cash equivalents at end of period	49,977	49,977

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 \$US'000	Previous quarter \$US'000
5.1	Bank balances	23,299	2,909
5.2	Call deposits	26,678	4,565
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	49,977	7,474

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate number of payments to related parties and their associates included in item 1 – Payment to directors for their salaries and fees.	56
6.2	Aggregate number of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	5,594
8.2	Cash and cash equivalents at quarter end (item 4.6)	49,977
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	49,977
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A

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?

N/A – Company has reported positive net operating cash flows

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?

As above

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?

As above

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: 27 October 2025

Authorised by: The Board of Directors
(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.