

Q4 2025 Report & Business Update

Record Revenue, Expanded Global Footprint, and Product Portfolio Execution

Elsight Limited (ASX: ELS) (“Elsight” or “the Company”), the carrier-agnostic, multi-path connectivity solutions company, is pleased to provide its Quarterly Activity Report for the quarter ending on **31 December 2025**, marking a **record fourth quarter contributing to a strong close to a global inflection point** for the Company.

Q4 2025's Unprecedented Performance

Another quarterly breakthrough, the fourth in a row

Elsight achieved a **record quarterly revenue** of approximately **US \$9.3 million (~A \$14.4 million)**. This brought the cumulative 2025 revenue to **~US \$22.8 million (~A \$35 million)**, marking a **11-fold increase year-on-year**.

Additionally, as [announced](#) on December 17, 2025, the Company secured a **US\$21.2 million (A\$32.1 million)** order, scheduled for delivery between January to April 2026.

Elsight continues to focus on **top-line growth and long-term market penetration while maintaining** software-like **gross margins of ~ 77%** across products, driven by mission-critical value. The Company is accelerating investments in **sales, marketing, and customer engagement** to convert its record opportunity pipeline into sustained multi-year expansion.

Elsight ended the quarter with **US\$59 million (~A\$86 million) in cash**, providing a strong foundation for 2026 expansion and shareholder value creation.

Contract Execution and Expanding Order Visibility

During Q4 and subsequent to quarter end, Elsight announced a series of **material contract and program updates**, collectively reinforcing visibility and momentum into CY2026:

- In **December 2025**, the Company secured a **US\$21.2M contract** covering deliveries for the first four months of CY2026, representing a significant step-up in early-year demand and extending forward revenue visibility.
- Subsequent to quarter end, Elsight announced its **first commercial purchase order for CY2026**, a **US \$460K** order from a U.S. public safety customer, highlighting accelerating commercial adoption alongside regulatory progress in the U.S.

Recurring revenue momentum

Software licenses, cloud services, and connectivity subscriptions reached **~US \$2.6 million in 2025**, representing **12% of total revenue and a 253% year-on-year increase**.

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

Business Update

Starting CY2026 with the best foot forward

- During the quarter, the Company's **Order backlog expanded to ~US\$22M (A\$32.13)**, providing strong revenue growth visibility into 2026
- In addition, by the quarter end, the Company made the first **delivery of the Aura products**, expanding Elsight's addressable market beyond uncrewed platforms
- The Company successfully demonstrated Halo to multiple U.S. DoD units and was selected by the Defense Innovation Unit (DIU) for Phase 3 of Project G.I. (DRM2), with DIU funding supporting final fielding, testing, and regulatory processes ahead of expected production procurement in H1 2026
- Elsight expanded its Global Business Development (BD) team with five **senior Sales and BD executive hires in the US, UK, Germany, and Middle East**, enhancing direct engagement with defence, government, and commercial customers.

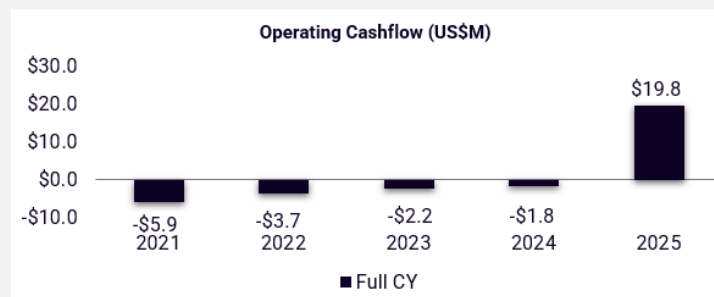
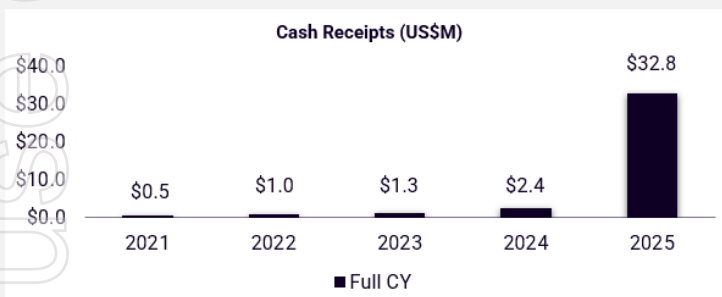
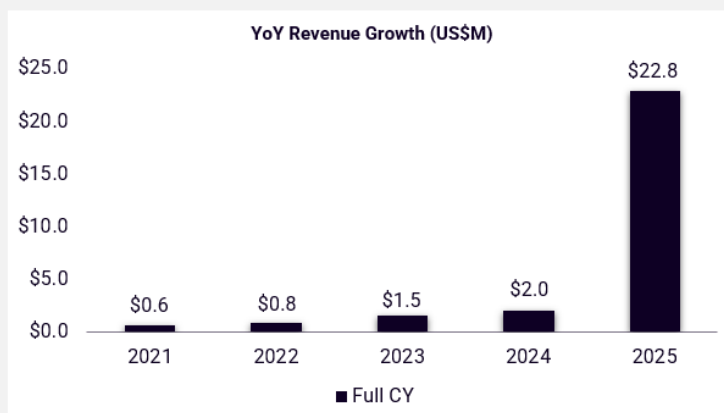


Table 1 Unaudited annual YOY numbers

Fourth Consecutive Quarter of Increased Revenue

Elsight is excited to report its highest-ever quarterly revenue for the **fourth consecutive quarter**, ~US\$9.3M (~A\$14.4M), with the cumulative total for CY2025 to ~US\$22.8M (~A\$35.4M). This represents an **11-fold increase year-on-year**. With a growing backlog, expanding pipeline, tangible orders with material down payments for Q1/2026 deliveries, and major programs progressing toward scale, the Company believes this performance marks the foundation, not the peak, of its growth trajectory.

U.S. Defence Presence and Commercial Momentum

During Q4 2025, Elsight further strengthened its strategic positioning in the United States:

- The Company successfully demonstrated its Halo before several DoW units and was **selected by the U.S. Defense Innovation Unit (DIU)** to advance to **Phase 3 of Project G.I. (DRM2)**, entering the final fielding phase expected to conclude in H1 2026 and to be translated into production procurement. Phase 3 selection included **DIU funding** for continued testing, operational demonstrations and regulatory processes, reinforcing Halo's position as a mission-critical connectivity solution.
- Elsight expanded its U.S. presence with two **senior sales and business development executive hires**, enhancing direct engagement with defence, government, and commercial customers.

In parallel, The U.S. DoW's Drone Dominance Program and similar allied initiatives increased engagement across Elsight's defence customer base. As programs progressed from pilots to fleet-level planning, demand shifted toward secure, resilient, and scalable connectivity, a core strength of Elsight's platform. This drove increased inbound interest from defence integrators, expansion of existing programs, and longer-term discussions aligned with multi-year procurement cycles. In addition, Regulatory progress around **FAA Part 108 BVLOS compliance** is beginning to translate into early commercial adoption, as evidenced by the U.S. public safety purchase order announced in January 2026 and compliance with the new NDAA requirements.

Global Operational Expansion

The Company is strengthening its global expansion following the defence trends of unmanned systems worldwide. Elsieht continued to build its international footprint during the quarter with **new hires across the United States, the United Kingdom, Germany, and Israel**. In addition, the Company appointed a new Head of Strategy to pursue long-term opportunities, industry trends analysis, and inorganic growth opportunities.

These investments support:

- Deeper engagement with defence OEMs and government customers
- Faster conversion of pipeline opportunities
- Execution of a more direct, regionally embedded, go-to-market model

Product Portfolio Expansion - Aura Moves into Production

During the quarter, Elsieht reached a significant execution milestone with the **delivery of the first Aura units to a leading defence prime**, transitioning the program from development into **production and delivery**.

Aura is designed to support **both uncrewed systems and dismounted / soldier-level communications**, materially expanding Elsieht's addressable defence and security markets beyond its traditional unmanned platform focus.

This transition from R&D to production validates Elsieht's ability to:

- Develop new platforms alongside Halo to diversify the Company's offering and revenue sources,
- Integrate into larger prime systems,
- Execute multi-phase defence programs at scale.

In addition to the Aura, Elsieht is planning to launch multiple new products in CY26 that will create additional growth engines and a stronger product portfolio that will provide upsell and cross-sell opportunities for new as well as existing customers.

These plans are over and above the new business unit that the company announced in July, which is still in stealth mode, currently starting to engage first design partners and expected to generate initial revenue during the 2026 calendar year. This new offering 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**.

Elsieht Webinar Presentation

Elsieht plans to hold its **Q4/25 webinar** presentation on February 4, 2026 at 5:00pm AEDT, providing a business update and a review of the Company's quarterly results.

Beyond the numbers, this presentation takes place at a **unique point in time**, at the intersection of profound shifts in the global defense landscape and a pivotal phase in Elsieht's own evolution.

The session will highlight how these changes are reshaping operational and mission requirements, and how **Elsieht is uniquely positioned to respond to this evolving environment across all dimensions**, including technology, strategy, operations, partnerships, and market engagement.

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 31 December 2025 totalled ~**US\$59M**.

Payments to related parties and their associates during the quarter totalled **US\$20K**, comprising Directors' fees.

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

-ENDS-

For more information, please contact:

Corporate & Business Enquiries

Howard Digby

Elsight Limited

T: +61 434 987 750

E: howarddigby@elsight.com

Media Enquiries

Elsight IR Team

E: IR@elsight.com

About Elsight

Elsight (ASX:ELS) (www.elsight.com) Elsight'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. Elsight'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. Elsight 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")

31 December 2025

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	14,173	32,762
1.2 Payments for		
(a) research and development	(695)	(2,568)
(b) product manufacturing and operating costs	(3,448)	(5,648)
(c) advertising and marketing	(1,071)	(2,792)
(d) leased assets	-	-
(e) staff costs	(351)	(1,056)
(f) administration and corporate costs	(581)	(1,344)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	62	285
1.5 Interest and other costs of finance paid	-	(49)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	121	165
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	8,210	19,755
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(44)	(92)
(d) investments	-	-
(e) intellectual property	-	(132)
(f) other non-current assets	-	-

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	(44)	(224)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	39,215
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	353	856
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(2,426)
3.5	Proceeds from borrowings	-	627
3.6	Repayment of borrowings	-	(641)
3.7	Transaction costs related to loans and borrowings	-	(19)
3.8	Dividends paid	-	-
3.9	Other – principal elements of lease payments	(68)	(252)
3.10	Net cash from / (used in) financing activities	285	37,360

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	49,977	874
4.2	Net cash from / (used in) operating activities (item 1.9 above)	8,210	19,755
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(44)	(224)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	285	37,360

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

4.5	Effect of movement in exchange rates on cash held	929	1,592
4.6	Cash and cash equivalents at end of period	59,357	59,357

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	2,664	23,299
5.2	Call deposits	56,693	26,678
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	59,357	49,977

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.	20
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)	8,210
8.2	Cash and cash equivalents at quarter end (item 4.6)	59,357
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	59,357
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<p><i>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.</i></p>		
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	
<p><i>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.</i></p>		

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 January 2026

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.