

Q1 2026 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 ended **31 March 2026**.

Q1 2026 Highlights

Financial

- Fifth consecutive quarter of record revenue - approximately **US\$11.6 million (~A\$16.8 million¹)**, a **12-fold increase over 1Q2025 pcp** (prior corresponding period).
- Recurring revenue (software licenses, cloud services, connectivity subscriptions) reached **~US\$1.3 million**, representing **11% of total revenue** and an 11-fold increase over the pcp.
- Cash at bank of **~US\$64 million** at 31 March 2026.

Contract Execution & Order Visibility

- Delivered the units under the **US\$21.2 million contract signed in December 2025** according to schedule. Active dialogue continues with the customer on follow-on orders.
- Delivered the **first Aura platform** (2 January 2026 announcement) to a leading Defence Contractor under the large project announced 25 September 2024.
- Secured **first commercial purchase order for CY2026** - US\$460K from a U.S. public safety customer.
- Secured additional follow-on and new commercial orders across public safety, enterprise, and defence customers during the quarter, reflecting broadening adoption.

U.S. Defence Footprint

- Continued advancement through **DIU Project G.I. (DRM2) Phase 3a** - the final fielding phase, with regulatory progress toward Blue UAS List inclusion.
- Selected to present at **SOCOM's TE26-2 event**; secured access to SOCOM's OTA contracting vehicle².
- Growing engagement across the **U.S. DoW's Drone Dominance Program** and allied initiatives, driving expansion of existing programs and inbound interest from defence OEM, and integrators.

Product Portfolio

- Soft launch of patent-pending **GNSS-denied positioning product** with selected design partners - Elsight's first step from a connectivity-focused company toward a multi-product uncrewed-systems platform.
- Continued progress on the new **Stealth Initiative** business unit, advanced to product proof-of-concept, with active engagement with potential customers and design partners ahead of planned first paying customers in CY2026.

¹ All USD/AUD conversions in this report are based on an exchange rate of approximately A\$1.00 = US\$0.69

² **OTA (Other Transaction Authority)**: A U.S. DoD contracting mechanism enabling rapid procurement outside traditional federal acquisition processes, allowing agencies such as SOCOM to engage technology providers on accelerated timelines.

Financial and Operational Highlights

The Company's Q1 2026 cash flow performance was consistent with internal expectations and is summarised below:

- **Receipts from customers:** US\$8.19 million
- **Net cash generated from operating activities:** US\$3.99 million
- **R&D investment:** US\$1.22 million
- **Product manufacturing, marketing, administration, and staff costs (combined):** US\$3.59 million

Cash and cash equivalents at 31 March 2026: ~US\$64.02 million (vs ~US\$59.36 million at 31 December 2025 - a net increase of ~US\$4.66 million for the quarter)

No material variances, cost overruns, or adverse operational events were recorded during the quarter.

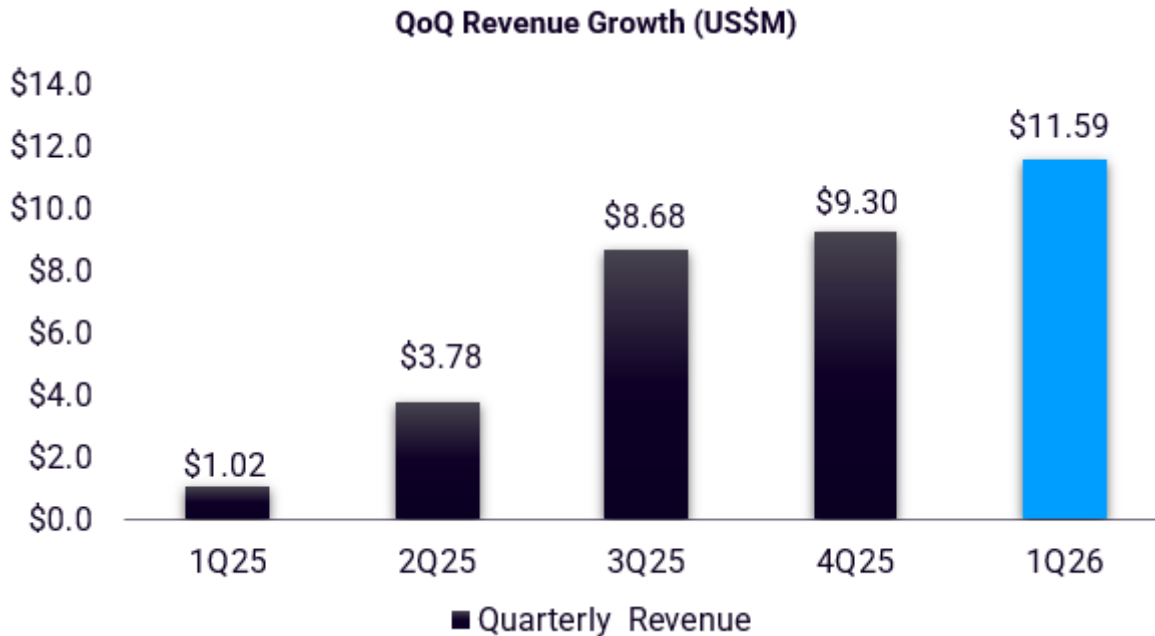


Table 1 Unaudited Quarterly QOQ numbers

Business Update

A strong start to 2026

Elsight is accelerating investments in sales, marketing, and customer engagement to convert its record opportunity pipeline into sustained multi-year expansion. The Company is observing growing demand and traction in the U.S. Department of War market, with engagement cadence across both end-user government programs and OEM customers increasing materially during the quarter, reflecting the impact of the expanded U.S. go-to-market team announced in the previous quarter. Management expects these elevated engagement levels to support revenue conversion in coming quarters.

During Q1 2026, the Company delivered orders to 25 customers, including 8 new customers and 17 repeat customers, reinforcing the broadening customer base underpinning the quarter's record revenue.

The Company enters Q2 2026 with a strong order book and continued commercial momentum across its defence and commercial customer base.

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U.S. Defence Presence and Commercial Momentum

The Company continued to deliver orders and execute across multiple funded programs with the U.S. Department of War (DoW), including:

- Defense Innovation Unit (DIU) Phase 3a of Project G.I. (DRM2).
- SOCOM's TE26-2 event.
- Secured access to SOCOM's OTA contracting vehicle; A U.S. DoD contracting mechanism enabling rapid procurement outside traditional federal acquisition processes, allowing agencies such as SOCOM to engage technology providers on accelerated timelines.

During Q1 2026, Elsieht continued to deepen its operational footprint across the U.S. defence ecosystem through active participation in multiple funded programs and direct engagement with OEMs and end-user units:

Defense Innovation Unit (DIU) Project G.I. (DRM2): The Company is continuing to advance through Phase 3, the final fielding phase, delivering units and providing direct operational training to end-user teams deploying Elsieht's Halo across multiple theatres globally. The program, which experienced a slight delay due to the redeployment of U.S. forces to active theatres during the quarter, is expected to conclude in H1 2026 and lead to procurement. Phase 3 selection also included DIU sponsorship for fast-track regulatory approval for the Blue UAS List, a trusted U.S. defence procurement framework, with the regulatory process progressing toward completion.

SOCOM: Elsieht was selected to present at SOCOM's TE26-2 event and secured access to SOCOM's Other Transaction Authority (OTA) contracting vehicle, positioning the Company for expected procurements from elite operational units.

Drone Dominance and Allied Programs: The U.S. DoW's Drone Dominance Program ("DDP") and similar allied initiatives increased engagement across Elsieht's defence customer base. As programs progressed from pilots to fleet-level planning, demand for secure, resilient, and scalable connectivity — a core strength of Elsieht's platform — has grown. This drove increased inbound interest from defence integrators, expansion of existing programs, and longer-term discussions.

US Commercial Momentum: Regulatory progress around FAA Part 108 BVLOS compliance continued to translate into early commercial adoption, as evidenced by the US\$460K public safety purchase order announced in January 2026 and additional follow-on orders received during Q1. In addition to the public safety purchase order, the Company received multiple follow-on and new commercial orders during the quarter across public safety, enterprise, and defence customers, reflecting broadening adoption.

Product Portfolio Expansion - Positioning Product Moves into Soft Launch

Following quarter-end, the Company launched a soft rollout of its GNSS-denied positioning product with selected design partners. Elsieht's patent-pending positioning solution leverages the Halo platform's multi-link radio capabilities combined with proprietary machine learning algorithms to deliver reliable positioning in GNSS-denied environments (where satellite-based navigation signals are unavailable).

The product addresses a critical and expanding gap in the uncrewed systems mission stack, where reliance on satellite-based navigation creates a single point of failure in contested environments. The global assured positioning, navigation, and timing (PNT) market is projected to reach approximately US\$8.4 billion by 2034, growing at a CAGR of ~29%³, driven by increasing demand for resilient navigation in defence, autonomous systems, and critical infrastructure.

This launch marks a significant step in Elsieht's evolution from a connectivity-focused company to a multi-product platform enabling the full mission stack for uncrewed systems, including connectivity, positioning, video, and autonomy. The positioning product leverages existing Halo deployments and customer relationships, creating upselling and cross-sell opportunities within the Company's installed base and active pipeline.

³ Source: Fortune Business Insights, "Assured Positioning, Navigation, and Timing (PNT) Market," 2026.

New Business Unit - Stealth Initiative Advancing Toward First Customers

The Company's new business unit, announced in July 2025, continued to make meaningful progress during the quarter. The initiative has advanced from early-stage development toward a product proof-of-concept, and during Q1 the Company began actively engaging potential customers and design partners to demonstrate the platform's capabilities. The Company expects to onboard its first paying customers during CY2026, validating product-market fit. While near-term revenue from this initiative is expected to be modest, the Company views this as a long-term strategic opportunity that, if successful, has the potential to generate material revenue contribution in the years ahead. The new offering targets a large, mature, and rapidly growing global market opportunity estimated at a TAM of more than US\$20 billion.

Market Dynamics - Structural Growth in Uncrewed Systems

The structural demand environment for resilient connectivity and autonomy in uncrewed systems is strengthening across both defence and commercial markets, driven by multi-year, multi-geography, and bipartisan commitments that extend well beyond the current quarter.

Defence - near-term driver. Global defence spending reached a record US\$2.72 trillion in 2024, up 9.4% in real terms and the steepest increase since the end of the Cold War, according to SIPRI.⁴ At the NATO Summit in The Hague in June 2025, member states endorsed a commitment to raise defence and security-related spending to 5% of GDP by 2035, materially above the prior 2% benchmark.⁵ In parallel, the European Union's ReArm Europe / Readiness 2030 plan mobilises up to €800 billion (~US\$870 billion) in additional European defence capacity over the coming years.⁶

In the United States, the Administration's FY2027 U.S. Department of War budget request totals approximately US\$1.5 trillion, with a pronounced shift toward autonomous systems and industrial-base expansion.⁷ The single largest line-item increase in the request is an approximately US\$54.6 billion allocation for the Defense Autonomous Warfare Group (DAWG) - a consolidated funding mechanism for autonomous systems prototyping and large-scale drone procurement, with approximately 98% of the requested DAWG funding routed through reconciliation, indicating multi-year deployment. The request also includes approximately US\$78.4 billion in combined increases for the Industrial Base Analysis & Sustainment (IBAS) program, the Office of Strategic Capital (OSC) Loan Program, and Defense Production Act purchases, together with approximately US\$30.7 billion for Major Equipment, OSD, funding small-business and non-traditional procurement, and the Accelerate the Procurement and Fielding of Innovative Technologies (APFIT) initiative.⁸ In parallel, the Pentagon has publicly stated a target of procuring over 200,000 autonomous systems by 2027 under its broader Drone Dominance agenda, reflecting a step-change in the scale and pace at which uncrewed platforms are being integrated into U.S. force structure.⁹

Similar structural moves are under way in Germany (the €100 billion Bundeswehr special fund plus the "Drohnenwall" drone-wall initiative), the United Kingdom (the 20-40-40 force-structure doctrine prioritising uncrewed mass, with £4.5 billion committed to autonomy and novel weapons in the 2025 Strategic Defence Review), and Japan (Five-Year Defence Buildup Plan, ~¥43 trillion through FY2027).¹⁰

Uncrewed systems, a distinct, growing segment within defence spending. Independent forecasts now place global spend on unmanned systems at more than US\$258 billion over the decade to 2035, with the fastest growth in small and medium UAS, counter-UAS, and autonomous surface and subsea platforms.¹¹

⁴ SIPRI, *Trends in World Military Expenditure, 2024*, April 2025

⁵ NATO, *Hague Summit Declaration*, 25 June 2025

⁶ European Commission, *ReArm Europe / Readiness 2030*, March 2025

⁷ CSIS, *Unpacking the \$1.5 Trillion FY 2027 Defense Budget Topline*, 2026

⁸ Aviation Week, *Pentagon's DAWG Fetches \$54.6B In Spending Plan, 2026*; Obviant FY2027 Defense Budget Dashboard, 2026

⁹ U.S. Department of War, *Drone Dominance Initiative*

¹⁰ Bundesministerium der Verteidigung (Germany); UK MoD, *Strategic Defence Review 2025*; Japan MoD, *Defense Buildup Program FY2023–FY2027*

¹¹Independent defence industry forecasts (SIPRI, IISS, open-source government budget data), 2024–2025.

Procurement behavior is also changing: governments are moving away from bespoke multi-year development cycles toward commercial-off-the-shelf (COTS) adoption of mature, field-proven platforms that can be deployed at scale in the near term, a shift that favors established technology providers like Elsieht with operational track records in contested environments.

Commercial, medium-term upside. In the United States, the FAA's progression of Part 108 rulemaking for routine beyond-visual-line-of-sight (BVLOS) operations is the most significant regulatory catalyst the commercial uncrewed sector has seen, enabling scaled deployment in public safety, inspection, logistics, and delivery.¹² Analogous frameworks are advancing across the EU (U-space) and other jurisdictions, compounding a multi-year demand curve for resilient, certified, mission-critical connectivity.

Collectively, these dynamics reinforce the Company's strategic positioning as an enablement technologies provider across both defence and commercial uncrewed-systems markets, with demand drivers that are structural rather than cyclical.

Elsieht Webinar Presentation

Elsieht will hold its Q1/26 webinar presentation on 29 April 2026 at 4:00pm AEST, providing a business update and a review of the Company's quarterly results.

This session comes at a significant moment, with record quarterly performance, an expanding U.S. defence footprint, and the Company's first steps into new product categories including non-GNSS positioning. CEO Yoav Amitai and the Directors will discuss how these developments position Elsieht for its next phase of growth and will be available for a live Q&A session.

Please register in advance [HERE](#).

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

-ENDS-

For more information, please contact:

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About Elsieht

Elsieht (ASX:ELS) (www.elsieht.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.

¹²U.S. Federal Aviation Administration, Notice of Proposed Rulemaking — Part 108, 2025.

Forward-looking statements

This announcement contains forward-looking statements, including statements regarding Elsight Limited's (the "Company") expected commercial and operational performance, customer pipeline, product development, and market positioning. Forward-looking statements are based on the Company's current expectations and assumptions as at the date of this announcement and are subject to risks and uncertainties, including customer purchasing decisions, government procurement cycles, regulatory changes, geopolitical developments, supply chain conditions, and foreign exchange movements, that could cause actual outcomes to differ materially. Readers should not place undue reliance on forward-looking statements. Except as required by the ASX Listing Rules and applicable law, the Company does not undertake to update any forward-looking statement. Past performance is not indicative of future performance.

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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 March 2026

| Consolidated statement of cash flows | Current quarter \$US'000 | Year to date (3 months) \$US'000 |
|---|-------------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 8,185 | 8,185 |
| 1.2 Payments for | | |
| (a) research and development | (1,221) | (1,221) |
| (b) product manufacturing and operating costs | (1,261) | (1,261) |
| (c) advertising and marketing | (1,527) | (1,527) |
| (d) leased assets | - | - |
| (e) staff costs | (361) | (361) |
| (f) administration and corporate costs | (440) | (440) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 620 | 620 |
| 1.5 Interest and other costs of finance paid | (1) | (1) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | 3,994 | 3,994 |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | (76) | (76) |
| (d) investments | - | - |
| (e) intellectual property | (34) | (34) |
| (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 | (110) | (110) |

| | | | |
|-------------|---|------------|------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 245 | 245 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other – principal elements of lease payments | (70) | (70) |
| 3.10 | Net cash from / (used in) financing activities | 175 | 175 |

| | | | |
|-----------|--|--------|--------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 59,357 | 59,357 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 3,994 | 3,994 |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (110) | (110) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 175 | 175 |

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

| | | | |
|------------|---|---------------|---------------|
| 4.5 | Effect of movement in exchange rates on cash held | 605 | 605 |
| 4.6 | Cash and cash equivalents at end of period | 64,021 | 64,021 |

| 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 | 3,450 | 2,664 |
| 5.2 | Call deposits | 60,571 | 56,693 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 64,021 | 59,357 |

| 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. | 85 |
| 6.2 | Aggregate number of payments to related parties and their associates included in item 2 | - |

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.

| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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) | 3,994 |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 64,021 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 64,021 |
| 8.5 | Estimated quarters of funding available (item 8.4 divided by item 8.1) | N/A |
| <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> | | |
| 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 | |
| <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> | | |

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: 22 April 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.

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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.