elsight

For personal use only

QUARTERLY REPORT

Q3 2026 Business Update



AERIAL › MARITIME › GROUND ›

ASX Announcement **28 October 2026**

Q3 2026 Business Update

US$25.8 Million Revenue for the first 9 months (+91% on pcp) while Expanding U.S. Army Procurement Access

Elsight Limited (ASX: ELS) ("Elsight" or "the Company"), the mission enablement engine for the uncrewed age, is pleased to provide its Quarterly Activity Report for the quarter ended **30 September 2026**.

9 months of 2026 Highlights

Financial

- **Unaudited revenue of approximately US$25.8 million for the 9 months of 2026** (~A$36.9 million[1]), **91% higher than prior corresponding period (PCP)** and **13% above full-year CY2025 revenue** (US$22.8 million).
- **Q3 2026 unaudited revenue of approximately US$2.4 million** (~A$3.4 million[1]). Results were below management expectations, with a non-GAAP loss of approximately US$0.7 million. The soft quarter comes alongside a growing pipeline of US$196 million (A$280.4 million), of which, app. $34M in backlog and commercial discussion, providing strong visibility into business activity over the next 12 months. The current pipeline reflects opportunities identified to date and should not be interpreted as a revenue forecast for 2027. We expect further growth as additional opportunities develop and new products planned for launch in the coming months and contributing to revenue. These products are not yet included in the pipeline and are expected to make a significant contribution over time.
- **Strong balance sheet:** cash and cash equivalents of **US$59.4 million** (~A$85.0 million[1]), with no borrowings.

U.S. Defence Footprint

- **Basic Ordering Agreement signed with the U.S. Army** (released 2 September 2026), giving Army units a pre-agreed contracting route to procure Halo.
- **Early listing on the U.S. Army UAS Marketplace** (released 15 September 2026), following the Basic Ordering Agreement and Halo's addition to the DCMA Blue UAS Cleared List.
- Halo remains on the **DCMA Blue UAS Cleared List** and is classified **non-ITAR**, simplifying allied partner deployments.
- Continued engagement with the U.S. DoW's **SOCOM OTA** contracting vehicle, with future revenue dependent on program awards and procurement timing.
- After quarter-end, Elsight announced a partnership with **AeroVironment (AV)** to integrate Halo into the Mayhem 10 launched effects system. The partnership creates a platform opportunity and is expected to start generating revenue in 2027.

[1] Converted at AUD/USD 0.699 (30 Sep spot)

For personal use only

Supply Chain

- Manufacturing partnerships in California and Bavaria were announced in August, expanding production capacity in the U.S. and Germany alongside operations in Israel to over $270M worth of goods to prepare for future demand and local customers' requests.

Product Portfolio

- After quarter-end, Elsight launched its software-based positioning capability for GNSS-denied environments, leveraging existing Halo hardware and extending the Company's portfolio beyond connectivity.
- Continued investment in technology for lower-cost uncrewed platforms and a broader portfolio spanning connectivity, positioning, video and autonomy, with positioning an initial step towards enabling more elements of the mission.

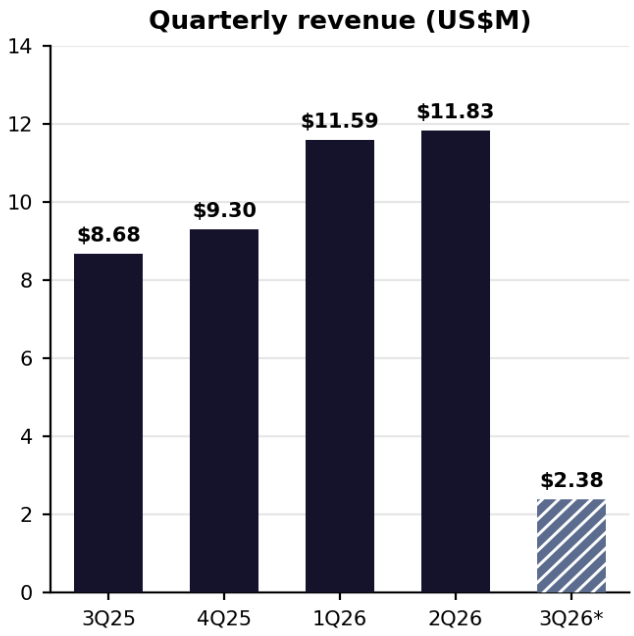
For personal use only

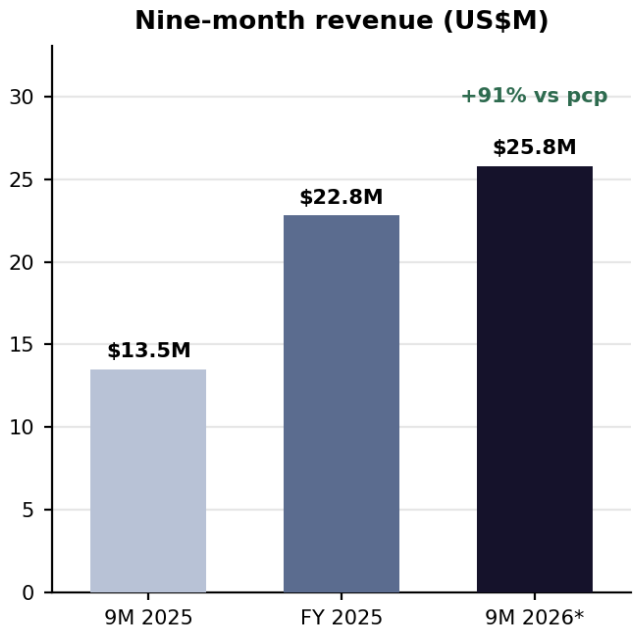
Financial and Operational Highlights

The Company's 9 months 2026 cash flow, per the Appendix 4C, is summarised below:

- **Receipts from customers:** US$15.0 million (Q3: US$1.4 million)
- **Net cash from operating activities:** broadly neutral for 9 months (Q3: outflow of US$3.8 million)
- **R&D investment:** US$3.6 million (Q3: US$1.3 million)
- **Product manufacturing, marketing, administration and staff costs (combined):** US$13.3 million (Q3: US$4.5 million)

Cash and cash equivalents at 30 September 2026: ~US$59.4 million (vs ~US$63.3 million at 30 June 2026).





*Unaudited quarterly and nine-month revenue. * 3Q26 provisional; 9M 2026 derived from H1 2026 plus Q3 2026.*

For personal use only

Business Update

Nine-month growth and profitability alongside a soft Q3, supported by a growing US$196 million (A$280.4 million) pipeline, compared to $168 million in Q2.

Q3 results were below management expectations, with unaudited revenue of approximately US$2.4 million and a non-GAAP loss of approximately US$0.7 million. Management views the quarter as a temporary fluctuation in a business where results can vary from quarter to quarter. **Importantly, the softer quarter comes alongside a growing pipeline of US$196 million (A$280.4 million), providing strong visibility into future business activity.**

For the first nine months of 2026, unaudited revenue reached approximately **US$25.8 million**, up **91%** on **the prior corresponding period** and **13% above full-year** CY2025 revenue, and the Company remained non-GAAP profitable. Cash of **US$59.4 million** and no borrowings support continued execution of the strategic plan.

Elsight's strategic plan guides investment across its product portfolio, target markets and organizational capabilities. During Q3, the Company broadened U.S. Army procurement access and expanded its manufacturing footprint in the U.S. and Germany. Hiring remains focused on capabilities needed to develop products, serve customers and convert opportunities into sales. Management remains confident in the Company's product, team and long-term opportunity, while continuing to calibrate execution and adjust investment where needed.

U.S. Defence Presence and Commercial Momentum

U.S. Army Procurement Access: In September, the Company signed a Basic Ordering Agreement with the U.S. Army and secured an early listing on the Army's UAS Marketplace. Together with Halo's Blue UAS status and non-ITAR classification, these milestones can help reduce procurement barriers and support future sales at scale.

U.S. Special Forces and Army Engagements: Elsight continues to advance Army and Special Operations procurement pathways following operational evaluations against mission requirements with various entities within the DOW.

Onboarding new tier 1 OEM: After quarter-end, the Company announced a partnership with **AeroVironment (AV)** to integrate Halo into the Mayhem 10 launched effects system. The partnership creates a platform opportunity and is expected to start generating revenue in 2027.

European, NATO and Middle East Market Traction

During Q3, Elsight expanded Halo's applicability into land and maritime domains during the NATO REPMUS 2026 maritime exercise in Portugal with live uncrewed surface and aerial demonstrations; major German naval industry workshop; German Navy evaluation via a prime contractor. The Company also continued to expand its commercial reach across Europe, the Middle East and Asia, including advancing opportunities in India. These efforts broaden the potential revenue base over time; procurement timing.

Product Portfolio Expansion - Building the Full Mission Stack

During Q3, Elsight continued investing in product technology for evolving uncrewed operations, including solutions for lower-cost platforms. After quarter-end, the Company launched its software-based positioning capability for GNSS-denied environments, combining existing Halo hardware with proprietary machine learning algorithms. Positioning is an initial step in broadening the portfolio beyond connectivity, creating opportunities to serve the installed base and active pipeline while laying a foundation for future autonomy capabilities.

Recurring Revenue Trajectory

Recurring revenue (software licenses, cloud services and connectivity subscriptions) reached approximately US$4.5 million in the nine months of 2026. Nine months compares with approximately US$2.6 million for full-year CY2025. Recurring services provide an ongoing revenue stream alongside hardware sales.

Q4 2026 Outlook

The Company is focused on converting its expanded market access, product capabilities and manufacturing footprint into customer orders and deliveries.

Q4 execution priorities

Elsight enters Q4 with expanded U.S. procurement access and a broader manufacturing footprint. Its focus is on the following commercial and operational priorities:

- **Anchor European defence OEM customer:** progress discussions on future requirements and align delivery planning with confirmed orders.
- **U.S. FY2027 funding cycle:** pursue Army and Special Operations opportunities through available procurement pathways and work with customers to progress evaluations towards production procurement.
- **Positioning capability launch:** support customer adoption following the post-quarter-end launch and pursue opportunities within the installed base.

The priorities above do not constitute revenue guidance. Outcomes remain subject to customer orders, government procurement cycles, and delivery schedules.

Management remains focused on converting procurement access, platform partnerships, and product development into sustainable growth. The Company expects new budgets to contribute materially from calendar 2027 onward, subject to program awards and procurement timing.

Elsight Webinar Presentation

Elsight will hold its Q3/26 webinar presentation today, October 28, providing a review of the quarterly and nine-month results, strategic execution, and priorities for Q4 and 2027. CEO Yoav Amitai and CFO Dan Hilerowitz will discuss recent developments and be available for a live Q&A session.

Please register in advance: registration link.

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

-ENDS-

For more information, please contact:

Corporate & Business Enquiries	Media Enquiries	Investor Relations
Howard Digby Elsight Limited T: +61 434 987 750 E: howarddigby@elsight.com	**Melanie Singh** NWR Communications T: +61 439 748 819 E: melanie@nwrcommunications.com.au	E: IR@elsight.com

For personal use only

About Elsight

Elsight (ASX: ELS) (www.elsight.com) develops technology that enables uncrewed operations. Its flagship Halo platform combines cellular, satellite and radio-frequency links to provide resilient connectivity for unmanned systems. Elsight is broadening its portfolio beyond connectivity, beginning with software-based positioning for GNSS-denied environments and investing in video and autonomy capabilities. The Company's products serve defence, public safety and commercial markets across air, land and maritime applications.

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.

For personal use only

Appendix 4C

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

Name of entity

ELSIGHT LIMITED

ABN	**Quarter ended ("current quarter")**
98 616 435 753	30 September 2026

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	1,355	14,972
1.2	Payments for		
	(a) research and development	(1,324)	(3,629)
	(b) product manufacturing and operating costs	(2,575)	(6,095)
	(c) advertising and marketing	(1,092)	(4,454)
	(d) leased assets	-	-
	(e) staff costs	(513)	(1,400)
	(f) administration and corporate costs	(327)	(1,317)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	678	1,959
1.5	Interest and other costs of finance paid	(34)	(49)
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**,**832**)	(**13**)

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(44)	(318)
	(d) investments	-	-
	(e) intellectual property	(297)	(752)
	(f) other non-current assets	-	-

For personal use only

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**	**(341)**	**(1,070)**

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	288	894
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	(344)	(479)
3.10	**Net cash from / (used in) financing activities**	**(56)**	**415**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	63,327	59,357
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,832)	(13)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(341)	(1,070)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(56)	415

For personal use only

4.5	Effect of movement in exchange rates on cash held	271	680
4.6	**Cash and cash equivalents at end of period**	**59,369**	**59,369**

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	2,512	2,674
5.2	Call deposits	56,857	60,653
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**59,369**	**63,327**

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.	29
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** *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.*	**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.	

For personal use only

8.	Estimated cash available for future operating activities	$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,832)
8.2	Cash and cash equivalents at quarter end (item 4.6)	59,369
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	59,369
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	15.5

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

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: 28 October 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.

For personal use only

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.

For personal use only