ASX Announcement **25 September 2024**

Elsight wins its biggest order yet with leading defence contractor to create new communications device

Key Highlights:

- **Elsight secures first order for the development and supply of the first batch of a new cellular communication product for the modern battlefield**
- **Begins first phase of a strategic program with a leading defence contractor, with anticipated growth starting in 2025 and beyond**
- **Initial Purchase order represents Elsight's largest defence deal to-date**

Elsight Limited (ASX: ELS) (Elsight or **the Company)**, the carrier-agnostic, connectivity solutions company, is pleased to announce the receipt of a $US380,000 (~A$562,000) initial purchase order (The Order) from a leading defence contractor (Contractor), to develop and supply a first batch of a new communication device.

The Order includes both the device development work and supply of a first small early batch of units. Following an extensive evaluation process, this new product is envisaged to be deployed by defence force end users as part of a much larger strategic program scheduled to begin in 2025. This is the biggest single order that the Company has received from a single defence customer to date. Elsight has provided the Contractor with a non-binding quotation for further orders starting in 2025 (Quotation) based on expected volumes estimated by the Contractor for procurement toward production planning purposes and pricing structures built into the Quotation.

Should those orders proceed, it is expected that revenues would grow to at least **US$5m** (**~A$7.3m**) over the next 1-2 years.

This is an example of the potential in the defence market which has a much longer sales cycle but, in our experience, typically offers significantly larger revenues than those previously enjoyed by the Company.

The new product is a key element of a strategic program

The new communication device will leverage cellular and other communication technologies to support various applications of both portable and stationary sensors. It offers a new way to communicate in the modern battlefield. The device has been designed and developed for high-scale deployments in large quantities.

In addition, this new product will be designed to support other existing and new customers in various other industries.

Another Validation for Elsight Value in the Defence Market

The Order was received after an extensive evaluation process against a large group of competitors of all sizes. It is another validation of Elsight's strong value and experience in the growing defence market. The new product is designed to meet all defence standards and regulations globally.

"We are thrilled to achieve this significant milestone and support this innovative approach to communicate in the modern battlefield. This order represents another validation of the value and development qualities that Elsight brings to today's defence Armory," CEO of Elsight Yoav Amitai said. "After a long evaluation process, Elsight was chosen as an essential partner in this long-term program, and we expect to reap the benefits of much larger programs in the years ahead."

Based on the Elsight Halo expertise

The new product is based on the experience Elsight achieved with its field-proven Halo, a highly reliable multi-link communications system with over 250,000 hours logged. The product will be added to the Company product portfolio to serve existing and new customers in both commercial and defence sectors.

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

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About Elsight (ASX:ELS)

Elsight's (www.elsight.com) flagship product, the Halo, uses AI-based 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 the military, HLS, public safety, delivery, medical, oil and gas, utilities, inspections, surveillance and others. Elsight was founded in 2009.