

ASX Announcement

23 August 2021

**Business Update: Airobotics TASE IPO Replaced with Private Capital Raise  
& FAA Approval Still A Big Target**

**Key Highlights:**

- **Airobotics' recent IPO application to be replaced with a private capital raise with existing investors**
- **Elsight continues to drive the Drone BVLOS market initiative with no material impact due to Airobotics' IPO deferral position**
- **Airobotics have completed the last tests requested by the FAA**

**Elsight Limited (ASX: ELS) ('Elsight Ltd, 'Elsight' or 'the Company')**, the carrier-agnostic, AI powered drone connectivity solutions company, is pleased to provide the following **Business Update**, on the ongoing relationship with Airobotics, its capital raising, and business plans.

**Last week, our R&D and certification partner, Airobotics**, did not complete their planned IPO on the Tel Aviv Stock Exchange (TASE) and replaced it with a private funding initiative. In light of many investor inquiries, the Company wishes to communicate the Board's understanding of the minimal, if any, impact to Elsieht, its growth plans and directions.

**Airobotics is moving to substitute the IPO** with a private cap raise. The Board was informed that their existing investors have committed to raise these funds outside the public arena. This reflects the strong commitment by Airobotics and its key backers to conclude their FAA certification process which is currently in the last stages of completion.

**Minimal impact of Airobotics' IPO deferral on Elsieht**

Airobotics has developed one of the world's most advanced drone platforms. As such, they have completed 100% of all the FAA testing requirements. The last round of tests arising from the public consultation phase of the G1 Process has been successfully completed. The Board agrees with the industry consensus that they will most likely be the first in the world to receive the highly sought-after FAA TC (Type Certificate). An integral part of this process and platform is Elsieht's 'Halo' which gives a significant advantage in the Drone BVLOS (Beyond Visual Line of Sight) embryonic market.

**No material impact on Elsieht revenue trajectory.**

Since the Airobotics partnership is mainly focussed on R&D and certification, therefore from a revenue perspective, the Company is not expecting to feel any impact on 2021 results. Furthermore, Elsieht is receiving considerable interest from leading drone players in the drone package delivery Beyond Visual Line Of Sight (BVLOS) market segment. By now, a number of other FAA certification contenders have also switched to use our Halo, which by now has a strong brand recognition in this growing industry. Since the market believes that Elsieht will receive the FAA certification with Airobotics first, at this advance stage, we are progressing a number of drone platforms, leveraging the NAAMA events and trade shows as the company's Go-To-Market strategy, without waiting for the final FAA certification.

**Airobotics' segment is only one part of drone market segment focus.**

Elsieht is focused on taking a leading position, becoming the solution of choice in the nascent drone package delivery market (supported by tens of thousands of stores throughout the USA and the world). On the other hand, Airobotics are in a leading position to offer a smaller but lucrative civil security market as a valuable resource for remote real-time sensing, for professionals in critical infrastructure sectors, including the oil & gas and emergency services sectors, with an effective tool for safe remote operations such as live aerial broadcasting. While we believe that the rate of growth of this market will be significant, we expect that the package delivery market will grow much faster in the next 3-5 years.

In Summary, Elsieht's Board believes Airobotics are now raising the required funds privately, from their existing investors. Therefore, urgently securing the FAA certification remains even more a key focus for their immediate success in parallel to their similar effort in Singapore. It is therefore reasonable to expect that Airobotics will be highly focussed on completing the FAA certification process as soon as possible and thereby assist Elsieht to secure their formative leading position as the communication platform of choice for the Drone BVLOS market of the Drone Package Delivery market. As stated above, from a financial perspective, given the developments at Airobotics we do not expect these to have a material impact on Elsieht's expected revenues for 2021 and 2022.

Further updates on the current developing position and its relationship on Elsieht's established business position with Airobotics will be released to the market as soon as more information becomes available.

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

**-ENDS-**

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## **About Elsieht**

**Elsieht** ([www.elsieht.com](http://www.elsieht.com)) is a solution provider of ground-breaking hybrid video and data transport services (on-the-move or fixed) for large Safe-City projects, sensitive facilities management, and surveillance and protective activities. The platform supports video capturing, recording, and highly secured transmission against video interception and hacking. **Elsieht's** platform was designed to address the most demanding requirements of Special Forces across enemy lines and sophisticated intelligence organizations. These systems underwent the most rigorous testing in combat situations as well as extensive testing by the most demanding laboratories. As a result, they present an unmatched level of reliability, lowest latency, and highest adaptive bandwidth over cellular networks that enables HD and 4K tv transmission quality, with "never-fail" redundancy and much more. For the first time they offer strict military requirements for civil usage. **Elsieht's** customers range from defence and homeland security to industrial security, broadcasting, first responders and healthcare.