

Rights Issue Closes Oversubscribed

Highlights

- **Renounceable rights issue seeking to raise \$8.2 million closes oversubscribed.**
- **Significant support from shareholders and new institutional and professional investors.**
- **Top-up placement of \$2.8 million to accommodate some of the substantial excess demand.**
- **Elsight now well funded to move forward with its commercial rollout and to satisfy demand for the Halo product.**

11th December, 2020. Elsight Limited (ASX: ELS) (Elsight or the **Company**) is pleased to announce that the renounceable rights issue announced on 16 November 2020 has closed significantly oversubscribed and raised **\$8,167,245**. To accommodate a portion of the substantial excess demand, the Company has agreed to undertake a placement to raise an additional **\$2,833,000** on the same terms as the rights issue (**Follow-on Placement**).

Following completion of the Follow-on Placement, the total amount raised will be \$11 million, before costs. The Company will issue a total of 24,444,989 new fully paid ordinary shares (**Shares**) and 12,222,494 new options exercisable at \$0.90, with an expiry date of 31 March 2023 (**Options**). The Options will be quoted under the ASX code ELSOA.

Under the terms of the Follow-on Placement, the Company will issue a total of 6,295,556 new Shares and 3,147,778 ELSOA Options. These will be issued using the Company's existing capacity under Listing Rule 7.1 and 7.1A, and without shareholder approval.

Mahe Capital Pty Ltd (ACN 634 087 84) acted as Lead Manager and Underwriter to the Rights Issue and advised Elsight on the Rights Issue and the Follow-on Placement.

The proceeds from the Rights Issue and the Follow-on Placement will be used for the following purposes:

- Take advantage of a range of commercial opportunities that have arisen from the demonstrated functionality of its latest flagship product, continue to fund a substantial increase in new orders, conduct trials with new customers as well as fund anticipated regulatory aviation (FAA) approvals in the USA. Funds will also be used for product working capital and to ramp up production and shorten delivery lead times in anticipation of increased sales. Such measures will enable the fastest fulfilment for existing and new orders;
- Significantly expand the Company's sales and marketing activities and manpower, as well as undertake further product enhancement development activities;
- Contribute towards ongoing general working capital requirements, to support material increase in sales; and
- Provide additional capital to enable the Company to pursue strategic M&A options, which have the ability to accelerate the aggressive growth which is beyond the planned organic growth.

Additionally, the proceeds will be used for general working capital and to cover all costs associated with the Offers.

The final results from the Rights Issue and the details of the Follow-on Placement are set out below:

	Funds raised	Shares	ELSOA Options*
Rights taken up	\$5,484,933	12,188,741	6,094,371
Shortfall placed	\$2,682,311	5,960,692	2,980,346
Follow-on Placement	\$2,833,000	6,295,556	3,147,778
Total	\$11,000,245	24,444,989	12,222,495

*The number of new Shares and ELSOA Options issued is subject to rounding. A further 11,000,245 ELSOA Options will be issued to the underwriter as fully described in the Prospectus.

An appendix 3B for the Follow-on Placement and underwriter options accompanies this announcement. A supplementary prospectus will be lodged shortly.

The new securities are expected to be issued on 15 December 2020, in accordance with the timetable set out in the Prospectus.

Elsight Director, Howard Digby said: “We would like to thank our existing shareholders for the strong support they have shown us during this Rights Issue, demonstrating their continued commitment to the Company and enthusiasm for our future as we embark on this transformational period of commercial ramp up and commercial rollout.”

This announcement was authorised to be given to ASX by the Board of Directors of Elsieht Limited.

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About Elsieht

Elsight (www.elsight.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.