

APPENDIX 4E

PRELIMINARY FINAL REPORT

1. DETAILS OF REPORTING PERIOD

Name of Entity	Elsight Limited ("the Company")
ABN	98 616 435 753
Reporting Period	31 December 2020
Previous Corresponding Period	31 December 2019

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key information	12 months ended Current Period US\$	12 months ended Previous Period US\$	Increase %	Amount change US\$
Revenues from ordinary activities	1,725,209	1,287,897	34%	437,312
Loss from ordinary activities after tax attributable to members	(3,880,688)	(3,192,433)	22%	(688,255)
Net loss for the period attributable to members	(3,880,688)	(3,192,433)	22%	(688,255)

	Amount Per Security	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil
Record Date for Determining Entitlements	Not Applicable	

Commentary on results:

Refer to section 14 below.

3. STATEMENT OF COMPREHENSIVE INCOME

Refer to attached financial statements.

4. STATEMENT OF FINANCIAL POSITION

Refer to attached financial statements.

5. STATEMENT OF CASH FLOWS

Refer to attached financial statements.

6. STATEMENT OF RETAINED EARNINGS/CHANGES IN EQUITY

Refer to attached financial statements.

7. DIVIDENDS/DISTRIBUTIONS

No dividends declared in current or prior year.

8. DETAILS OF DIVIDEND REINVESTMENT PLANS

Not Applicable

9. NET TANGIBLE ASSETS PER SHARE

	Current Period	Previous Period
Net tangible asset backing per ordinary security	6.19 cents	1.62 cents

10. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD**Control gained over entities**

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

Loss of control over entities

Name of entity (or group of entities)	N/A
Date control lost	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Profit/(loss) of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

11. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Not Applicable

12. ANY OTHER SIGNIFICANT INFORMATION NEEDED BY AN INVESTOR TO MAKE AN INFORMED ASSESSMENT OF THE COMPANY'S FINANCIAL PERFORMANCE AND FINANCIAL POSITION

Refer to attached financial statements.

13. FOREIGN ENTITIES

Not Applicable

14. COMMENTARY ON RESULTS FOR PERIOD AND EXPLANATORY INFORMATION

Refer to commentary on page 2 of the attached financial statements.

15. AUDIT

This report is based on accounts which are in the process of being audited.

David Furstenberg
Executive Director

26 February 2021



ELSIGHT LIMITED

ABN 98 616 435 753

PRELIMINARY FINAL REPORT

31 DECEMBER 2020

Review of operations

Unless otherwise stated all figures in this report are in the Company's presentation currency US\$.

Elsight Limited had a loss for the year of \$3,880,688 (2019: loss of \$3,192,433). The 2020 loss included selling, general and administrative expenses of \$3,949,805.

The net assets of the Group have increased by \$6,996,567, from net assets of \$1,415,262 at 31 December 2019 to net assets of \$8,411,829 at 31 December 2020.

As at 31 December 2020, the Group's cash and cash equivalents increased from a balance of \$933,517 at 31 December 2019 to a balance of \$7,924,309 at 31 December 2020. As at 31 December 2020 the Group had working capital of \$8,132,701 (2019: \$936,808).

Significant changes in the state of affairs

There were no significant changes to the Company or the state of its affairs during the year.

Highlights during the year

The following significant Group matters occurred during 2020:

In early January 2020, the Board announced the resignation of Raj Logaraj and the appointment of Peter Marks as a Non-Executive Director of the Company.

Later in January the Group completed a private placement Of 9,000,000 Fully Paid Ordinary Shares at A\$0.32 per share to raise a total of approximately A\$2,880,000 (US\$2M).

The COVID-19 outbreak struck in February 2020, creating dramatic changes and challenges. This potentially negative impact was turned into an opportunity with minimal material impact on bookings and revenue, despite lockdown and the need of many to work from home during a critical time for the Company.

A key priority was finalising the development of the flagship Halo product and commencing sales activities while the Company's salesforce was grounded and unable to meet with customers during the most critical product launch period. Notwithstanding this, significant progress was made with the initial launch and commercialisation of the product.

Key actions and changes during the year included:

1. A move from project to solution-based approach to better realise value from development efforts in chosen segments.
2. Total focus on completion and launch of Halo during H2.
3. Narrowing of our focus on 3 market segments: bridging the digital divide to the Other 4 Billion (O4B) Rural customers with no workable connectivity; Drones; and Medical First Responders.

After previously announcing details of its strategic work with Airobotics in the drone space (December 19, 2019), in March 2020, the Group announced the broadening of a partnership with CopterPIX PRO. CopterPIX PRO, is a leading drone company focussing on advanced solutions using autonomous drones. Following one month of successful POC test flights using HALO, CopterPIX PRO elected to expand the Halo POC and purchase an additional 6 Halo units for integration within their drone platform.

In May and June 2020, the Group issued a total of 1,774,000 Fully Paid Ordinary Shares on the conversion of options, raising a total of approximately A\$532K (US\$350K).

July 2020 saw the Group enter a strategic partnership with Kinetx Prime to deliver direct-to-consumer telehealth services in the US with its flagship Halo product. The Group received an initial order of US\$1.6M with the prospect of additional repeat orders over the course of the next 36 months.

Full FCC certification was also received in July.

Following completion of Halo's integration into a backpack version of Alrena's "Smartmedicase" branded as "Smartmedibag" in August 2020, the Group received an initial order worth approximately US\$300,000. Alrena's "Smartmedibag" solution enables independent nurses in remote and rural areas to provide lifesaving treatment via telemedicine. This has been adopted by the French Ministry of Health.

PRELIMINARY FINAL REPORT 31 DECEMBER 2020

In October 2020, the Group obtained the necessary CE certification for Halo which enabled it to ship all Halo units to fulfil the Alrena Technologies order. The Group received a repeat order of US\$133,000 from a leading cash-in-transit and security company, bringing their total orders to date to approx. US\$190,000.

In November 2020, the Group received approximately A\$376K (US\$273K) on the exercise of 1,880,000 options by Mr Nir Gabay. This followed Mr Gabay's resignation as MD and a director and the appointment of Mr Yoav Amitai as the new CEO.

In December 2020, the Group completed a renounceable rights issue to raise \$A8.2M and a follow-on placement of A\$2.8M, raising a total of A\$11M (US\$8.3M) before costs. The Group issued a total of 24,444,983 new Fully Paid Ordinary Shares and 23,222,653 new listed options exercisable at A\$0.90 on or before 31 March 2023 in relation to the rights issue and placement.

At the end of 2020 and as at the reporting date, the impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 31 December 2020, it is not possible to accurately predict the potential impact, positive or negative, the pandemic may have during the current year. The situation continues to develop and is dependent on measures imposed by the Israeli Government as well as other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Significant events after the reporting period

There have been no matters or circumstances that have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of the Group in subsequent financial periods.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 US\$	2019 US\$
Revenue from contracts with customers	2	1,725,209	1,287,897
Cost of sales		(1,230,248)	(836,732)
Gross profit		494,961	451,165
Other income		3,070	31,952
Selling, general and administrative expenses	3	(3,949,805)	(3,660,673)
Net share based payments (expense)/income	9	(397,793)	43,438
Loss before finance expenses		(3,849,567)	(3,134,118)
Finance expenses	3	(31,121)	(58,315)
Loss before income tax		(3,880,688)	(3,192,433)
Income tax expense		-	-
Loss for the year		(3,880,688)	(3,192,433)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation, net of tax	8(c)	14,275	85,318
Total comprehensive loss for the year attributable to owners of the Company		(3,866,413)	(3,107,115)
Loss per Share attributable to owners of the Company			
Basic loss per share (cents per share)	4	(3.62)	(3.33)
Diluted loss per share (cents per share)	4	(3.62)	(3.33)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

PRELIMINARY FINAL REPORT 31 DECEMBER 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 US\$	2019 US\$
CURRENT ASSETS			
Cash and cash equivalents		7,924,309	933,517
Trade and other receivables	5	1,048,565	571,618
Inventory		396,272	251,148
Other current assets		-	107,388
TOTAL CURRENT ASSETS		9,369,146	1,863,671
NON-CURRENT ASSETS			
Plant and equipment		234,207	292,177
Intangible assets		163,142	141,909
Right of use assets		-	161,703
TOTAL NON-CURRENT ASSETS		397,349	595,789
TOTAL ASSETS		9,766,495	2,459,460
CURRENT LIABILITIES			
Trade and other payables	6	1,227,674	694,882
Borrowings		8,771	64,461
Lease liabilities		-	167,520
TOTAL CURRENT LIABILITIES		1,236,445	926,863
NON-CURRENT LIABILITIES			
Borrowings		768	8,072
Provision for employees' severance benefits		117,453	109,263
TOTAL NON-CURRENT LIABILITIES		118,221	117,335
TOTAL LIABILITIES		1,354,666	1,044,198
NET ASSETS		8,411,829	1,415,262
SHAREHOLDERS' EQUITY			
Issued capital	7	21,361,856	11,739,495
Reserves	8	2,226,015	1,630,987
Accumulated losses		(15,176,042)	(11,955,220)
SHAREHOLDERS' EQUITY		8,411,829	1,415,262

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2020

	Issued Capital	Accumulated losses	Share Based Payment Reserve	Foreign Exchange Reserve	Predecessor Accounting Reserve	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2019	11,667,737	(8,787,545)	2,677,670	(767,009)	(296,796)	4,494,057
Loss for the year	-	(3,192,433)	-	-	-	(3,192,433)
Other comprehensive loss	-	-	-	85,318	-	85,318
Total comprehensive loss for the year	-	(3,192,433)	-	85,318	-	(3,107,115)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of shares	71,758	-	-	-	-	71,758
Exercise of options	-	24,758	(24,758)	-	-	-
Share based payments	-	-	(43,438)	-	-	(43,438)
Balance at 31 December 2019	11,739,495	(11,955,220)	2,609,474	(681,691)	(296,796)	1,415,262
Balance at 1 January 2020	11,739,495	(11,955,220)	2,609,474	(681,691)	(296,796)	1,415,262
Loss for the year	-	(3,880,688)	-	-	-	(3,880,688)
Other comprehensive income	-	-	-	14,275	-	14,275
Total comprehensive income/(loss) for the year	-	(3,880,688)	-	14,275	-	(3,866,413)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of shares	9,622,361	-	-	-	-	9,622,361
Exercise and expiry of options	-	659,866	(659,866)	-	-	-
Share based payments	-	-	1,240,619	-	-	1,240,619
Balance at 31 December 2020	21,361,856	(15,176,042)	3,190,227	(667,416)	(296,796)	8,411,829

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 US\$	2019 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,424,163	1,901,353
Payments to suppliers and employees		(4,645,176)	(4,389,030)
Interest received		3,069	33,165
Interest paid		(10,352)	(26,718)
Net cash used in operating activities		(3,228,296)	(2,481,230)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(13,956)	(8,522)
Purchase of intangible assets		(67,668)	(100,222)
Payment for short term bank deposits		(23,272)	-
Net cash used in investing activities		(104,896)	(108,744)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from the issue of shares		10,464,234	71,758
Repayment of borrowings		(20,950)	(19,511)
Principal elements of lease payments		(168,182)	(170,601)
Proceeds collected from the sale of Non-Eligible Foreign Shareholders' Entitlements		33,117	-
Net cash provided by/(used in) financing activities		10,308,219	(118,354)
Net increase/(decrease) in cash and cash equivalents		6,975,027	(2,708,328)
Cash and cash equivalents at the beginning of the financial year		933,517	3,632,926
Foreign exchange		15,765	8,919
Cash and cash equivalents at the end of the financial year		7,924,309	933,517

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report has been prepared in accordance with Australian Accounting Standards (**AASBs**) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (**AASB**) and the *Corporations Act 2001*.

a) Basis of Measurement and Reporting Conventions

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded off to the nearest dollar unless stated otherwise.

b) Adoption of New and Amended Accounting Standards

The Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2020. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Group accounting policies. No retrospective change in accounting policy of material reclassification has occurred during the year.

c) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates and judgements

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic. At 31 December 2020 the Group has reassessed all significant judgements and estimates included in the 31 December 2020 financial result and position, including but not limited to, provisions against debtors, realizable value of inventory, liability to future claims, impairment of non-current assets, and other provisions and estimates.

Share based payments

The Group initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them, as well as an assessment of the probability of achieving non-market based vesting conditions.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 9.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade receivables

Management assess impairment of the Group's trade receivables based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs for the expected credit loss model under AASB 9 and impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

	2020	2019
	US\$	US\$
NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS		
Revenue recognised at a point in time:		
- Sale of physical goods	1,399,452	1,040,884
Revenue recognised over a period of time:		
- SLA and other services	325,757	247,013
Total revenue	1,725,209	1,287,897

The Group has recognised the following assets and liabilities related to contracts with customers:

- Contract liabilities	52,007	34,610
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There were no significant movements in contract assets or liabilities during the year.

	2020	2019
	US\$	US\$
NOTE 3: EXPENSES		
Loss before income tax from continuing operations includes the following specific expenses:		

Selling, general and administrative expenses:

- Research and development	1,212,678	1,140,758
- Sales, marketing and exhibitions	845,995	747,172
- Salaries and related expenses	655,147	604,288
- Professional services	419,196	388,899
- Amortisation of right of use lease asset	162,341	178,567
- Office related expenses	167,171	168,686
- Depreciation of plant and equipment and amortisation of intangible assets	126,712	78,854
- Travel	30,535	157,724
- Others	330,030	195,725
Total selling, general and administrative expenses	3,949,805	3,660,673

Finance expenses:

- Interest on borrowings and bank fees	7,652	5,592
- Implied interest on leases	2,625	8,517
- Exchange rate differences	20,844	44,206
Total finance expenses	31,121	58,315

NOTE 4: EARNINGS/(LOSS) PER SHARE

	2020	2019
	US\$	US\$
Earnings/ (Loss) per share (EPS)		
a) Profit/(Loss) used in calculation of basic EPS and diluted EPS	(3,880,688)	(3,192,433)
b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted earnings/ (loss) per share	107,315,722	95,991,667

NOTE 5: TRADE AND OTHER RECEIVABLES

	2020	2019
	US\$	US\$
CURRENT		
Trade and other receivables	885,732	428,547
Loss allowance	(12,611)	(9,310)
Short term deposits	110,225	79,358
Prepaid expenses	65,219	73,023
	1,048,565	571,618

NOTE 6: TRADE AND OTHER PAYABLES

	2020	2019
	US\$	US\$
CURRENT		
Trade payables	320,911	122,090
Other payables and accrued expenses	854,756	538,182
Contract liability	52,007	34,610
	1,227,674	694,882

NOTE 7: ISSUED CAPITAL

2020

2019

US\$

US\$

(a) Share Capital

133,341,582 (31 December 2019: 96,242,599) fully paid ordinary shares	7b	21,361,856	11,739,495
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(b) Movement in Ordinary Capital

	Date	No.	Unit Price US\$	Total US\$
Opening balance at 1 January 2019		95,888,599		11,667,737
Issue of shares on conversion of options	1-Aug-19	100,000	0.20	20,100
Issue of shares on conversion of options	2-Oct-19	232,000	0.20	47,043
Issue of shares on conversion of options	22-Oct-19	22,000	0.21	4,615
Closing balance at 31 December 2019		96,242,599		11,739,495
Issue of placement shares	14-Jan-20	9,000,000	0.22	1,987,145
Issue of shares on conversion of options	6-May-20	46,000	0.20	9,013
Issue of shares on conversion of options	8-May-20	200,000	0.19	38,541
Issue of shares on conversion of options	13-May-20	500,000	0.20	97,602
Issue of shares on conversion of options	2-Jun-20	1,028,000	0.20	205,150
Issue of shares on conversion of options	13-Nov-20	1,880,000	0.14	272,508
Issue of rights issue and follow-on placement shares	15-Dec-20	24,444,983	0.34	8,333,610
Costs of capital raising		-		(1,321,208)
Closing balance at 31 December 2020		133,341,582		21,361,856

(c) Capital Management

Due to the nature of the Group's activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet research and development programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

PRELIMINARY FINAL REPORT 31 DECEMBER 2020

NOTE 8: RESERVES

	Ref	2020	2019
a) Share Based Payment Reserve		US\$	US\$
43,885,013 (31 December 2019: 47,219,360) options on issue	8b	3,190,227	2,609,474
		3,190,227	2,609,474

b) Movement in Share Based Payment Reserve	No.	US\$
Opening balance at 1 January 2019	47,269,360	2,677,670
Net pro-rata (income) of options issued in prior periods	-	(31,733)
Issue of ESOP options	50,000	12,214
Issue of ESOP options	215,000	6,496
Issue of ESOP options	186,000	6,823
Cancellation of ESOP options on termination of employment	(147,000)	(37,238)
Options exercised and converted to fully paid ordinary shares	(354,000)	(24,758)
Closing balance at 31 December 2019	47,219,360	2,609,474
Expense of options issued in prior periods, prior to cancellations (Note 9)	-	146,606
Issue of ESOP options (Note 9)	1,450,000	166,049
Issue of ESOP options (Note 9)	200,000	37,148
Issue of ESOP options (Note 9)	150,000	20,991
Issue of ESOP options (Note 9)	100,000	12,779
Issue of ESOP director related party options (Note 9)	100,000	14,315
Issue of ESOP options (Note 9)	75,000	5,512
Issue of ESOP options (Note 9)	100,000	2,757
Issue of lead manager/underwriter options (Note 9)	11,000,245	842,828
Issue of free attaching rights issue and follow-on placement options	12,222,408	-
Options exercised and converted to fully paid ordinary shares	(3,654,000)	(319,128)
Expiry of options	(4,872,000)	(340,738)
Options cancelled on termination of employment	(206,000)	(8,365)
Options cancelled after vesting conditions not met	(20,000,000)	-
Closing balance at 31 December 2020	43,885,013	3,190,227

	2020	2019
c) Foreign Exchange Reserve	US\$	US\$
	(667,416)	(681,691)

The foreign currency translation reserve records exchange differences arising on translation from functional currency to presentation currency.

	2020	2019
d) Predecessor Accounting Reserve	US\$	US\$
	(296,796)	(296,796)

The reserve arises from the capital reorganisation and records the net liabilities of Elsieht Limited as at the acquisition date of 2 June 2017.

PRELIMINARY FINAL REPORT 31 DECEMBER 2020

NOTE 9: SHARE BASED PAYMENTS

Options Issued in Prior Periods

Options issued in prior periods that impact the year ended 31 December 2020 are as follows:

Description	Grant date	Exercise price	Expiry date	Options on issue at 31 Dec 2020	Vesting condition	Net pro-rata income/(expense) recorded at 31 Dec 2020
		A\$		No.		US\$
ESOP Options	2-Jun-17	\$0.20	2-June-22	8,608,000	(i)	66,464
ESOP Options	10-Dec-17	\$0.60	9-Oct-22	125,000	(i)	11,027
ESOP Options	9-Jan-18	\$1.08	14-Nov-22	25,000	(ii)	1,093
ESOP Options	26-Apr-18	\$0.745	4-Mar-23	12,000	(iii)	609
Director Options	28-May-18	\$0.60	9-Oct-22	460,000	(iv)	43,280
ESOP Options	1-Aug-18	\$0.675	31-Jul-23	117,000	(i)	9,990
ESOP Options	1-Dec-18	\$0.60	1-Dec-23	50,000	(v)	2,392
ESOP Options	24-Jun-19	\$0.35	23-Jun-24	145,000	(i)	10,210
ESOP Options	20-Nov-19	\$0.41	12-Nov-24	-		(6,824)
Total				9,542,000		138,241

- (i) 50% on the second anniversary of the grant date and an additional 6.25% at the end of each quarter of continuous service thereafter.
- (ii) 50% on 15 November 2017 and an additional 3.125% at the end of each quarter of continuous service thereafter.
- (iii) 50% on 5 March 2020 and an additional 6.25% at the end of each quarter of continuous service thereafter.
- (iv) 50% on 10 October 2020 and an additional 6.25% at the end of each quarter of continuous service thereafter.
- (v) 50% on 1 December 2019 and an additional 12.50% at the end of each quarter of continuous service thereafter.

Share Based Payments Issued During the Year Ended 31 December 2020

During the year ended 31 December 2020 the Group recorded the following share based payments:

- The issue of 1,450,000 Employee Share Plan Options exercisable at A\$0.28, on or before 23 April 2025 to employees of the Group, exercisable after the satisfaction of the following vesting condition, 50% on 23 April 2021 and an additional 6.25% at the end of each quarter of continuous services thereafter, resulting in an expense of US\$166,049 recorded at 31 December 2020.
- The issue of 200,000 Employee Share Plan Options exercisable at A\$0.28, on or before 23 April 2025 to service providers of the Group, exercisable after the satisfaction of the following vesting condition, 50% on 31 October 2020 and an additional 50% on 23 April 2021, subject to the option holders continuing to provide services to the Group, resulting in an expense of US\$37,148 recorded at 31 December 2020.
- The issue of 150,000 Employee Share Plan Options exercisable at A\$0.34, on or before 15 May 2025 to service providers of the Group, exercisable after the satisfaction of the following vesting condition, 50% on 31 October 2020 and an additional 50% on 15 May 2021, subject to the option holders continuing to provide services to the Group, resulting in an expense of US\$20,991 recorded at 31 December 2020.
- The issue of 100,000 Employee Share Plan Options exercisable at A\$0.32, on or before 12 June 2025 to service providers of the Group, exercisable after the satisfaction of the following vesting condition, 50% on 31 October 2020 and an additional 50% on 13 June 2021, subject to the option holder continuing to provide services to the Group, resulting in an expense of US\$12,779 recorded at 31 December 2020.
- The issue of 100,000 Employee Share Plan Options, exercisable at A\$0.28, on or before 23 April 2025 to Susana Gabay, a related party of Nir Gabay, exercisable after the satisfaction of the following vesting condition, 50% on 23 April 2021 and an additional 6.25% at the end of each quarter of continuous services thereafter, resulting in an expense of US\$14,315 recorded at 31 December 2020.

PRELIMINARY FINAL REPORT 31 DECEMBER 2020

NOTE 9: SHARE BASED PAYMENTS (CONTINUED)

- The issue of 75,000 Employee Share Plan Options exercisable at A\$0.30, on or before 27 July 2025 to an employee of the Group, exercisable after the satisfaction of the following vesting condition, 50% on 28 July 2022 and an additional 6.25% at the end of each quarter of continuous services thereafter, resulting in an expense of US\$5,512 recorded at 31 December 2020.
- The issue of 100,000 Employee Share Plan Options exercisable at A\$0.54, on or before 12 October 2025 to an employee of the Group, exercisable after the satisfaction of the following vesting condition, 50% on 13 October 2022 and an additional 6.25% at the end of each quarter of continuous services thereafter, resulting in an expense of US\$2,757 recorded at 31 December 2020.
- The issue of 11,000,245 ASX listed Options exercisable at A\$0.90 on or before 31 March 2023 to the lead manager and underwriter, resulting in an expense of US\$842,828 recorded as capital raising cost at 31 December 2020.

Fair Value

The fair value of ASX listed options has been determined with reference to market price on the date of commencement of trade. The Black Scholes option pricing model was used to determine the fair value of the unlisted options issued. The Black Scholes inputs and valuations were as follows:

Options	ESOP Options	ESOP Options	ESOP Options	ESOP Options	ESOP Director Related Party Options	ESOP Options	ESOP Options
Number of options	1,450,000	200,000	150,000	100,000	100,000	75,000	100,000
Grant date	10-May-20	10-May-20	19-May-20	18-Jun-20	30-Jul-20	9-Aug-20	26-Oct-20
Issue date	29-Jun-20	29-Jun-20	29-Jun-20	29-Jun-20	4-Aug-20	23-Sep-20	12-Nov-20
Exercise price	A\$0.28	A\$0.28	A\$0.34	A\$0.32	A\$0.28	A\$0.30	A\$0.54
Expected volatility	100%	100%	100%	100%	100%	100%	100%
Implied option life	4.82 years	4.82 years	4.88 years	4.96 years	4.82 years	4.84 years	4.92 years
Expected dividend yield	nil	nil	nil	nil	nil	nil	nil
Risk free rate	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%
Valuation per option A\$	\$0.32	\$0.32	\$0.25	\$0.24	\$0.40	\$0.54	\$0.40
Exchange rate	\$0.69	\$0.69	\$0.69	\$0.69	\$0.69	\$0.77	\$0.77
Valuation per option US\$	\$0.22	\$0.22	\$0.17	\$0.17	\$0.28	\$0.42	\$0.31
Total valuation US\$	\$319,000	\$44,000	\$25,500	\$17,000	\$28,000	\$31,500	\$31,000

Share Based Payments Expense

Share based payment expense is comprised as follows:

	2020	2019
	US\$	US\$
Total net expense/(income) recognised in profit or loss ⁽ⁱ⁾	397,793	(43,438)
Total expense recognised in equity	842,828	-
Total net share based payments expense/(income)	1,240,621	(43,438)

- (i) 2019: Income of US\$406,335 on adjustment to Class B Performance options probability less pro-rata expense of options issued in 2019 and prior periods of \$362,897.