

22 April 2021

The Manager  
Market Announcements Office  
ASX Limited

In accordance with Listing Rule 3.17, please see attached copy of the following documents:

1. A Letter to Shareholders regarding arrangements for the 2021 Annual General Meeting as despatched to Shareholders in lieu of the Notice of Meeting;
2. Notice of Meeting 2021; and
3. Proxy Form.

Mark Licciardo  
Company Secretary  
Elsight Limited

Authorised for release by the Board of Directors.

**For more information on Elsieht, please contact:**

**Howard Digby**  
Elsight Limited  
[howarddigby@gmail.com](mailto:howarddigby@gmail.com)

#### **About Elsieht**

**Elsight** ([www.elsight.com](http://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 data and video capturing, recording, and highly secured transmission against data and video interception and hacking. **Elsight's** platform was designed to address the most demanding requirements of Special Forces across enemy lines and sophisticated intelligence organisations. 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. **Elsight's** customers range from defence and homeland security to industrial security, broadcasting, first responders and healthcare.

ACN: 616 435 753

Contact: Howard Digby, [howarddigby@gmail.com](mailto:howarddigby@gmail.com)

Registered Office: C/-Mertons Corporate Services Pty Ltd, Level 7/330 Collins Street, Melbourne, VIC, 3000

[www.elsight.com](http://www.elsight.com)

ASX:ELS

## **Elsight Limited (ELS) - Annual General Meeting 2021**

Dear Shareholder

The Elsight Limited Annual General Meeting (**AGM**) will be held at **4:00pm (AEST) on Wednesday, 26 May 2021 (9.00am Israel time)** at the **Office of Automic Registry Services, Meeting Room Elleve, 477 Collins Street, Melbourne VIC 3000** and **via Zoom videoconference**.

The AGM will be conducted from the above-mentioned venue with a pre-arranged quorum of members in attendance.

As a result of the uncertainty and health risks resulting from the ongoing Covid-19 pandemic and related restrictions on public meetings and gatherings, please note Shareholders will only be able to attend this AGM via a live Zoom webcast supported by the Company's Share Registrar, Automic Registry Services.

### **Attendance and Voting**

Information about how to participate in the meeting and vote is available from the Company's website <https://elsight.com/investor-relations/>

To attend the virtual AGM, please pre-register in advance for the meeting here:

[https://us02web.zoom.us/webinar/register/WN\\_kn-ZZIQFRggjhH1q3L9ZRQ](https://us02web.zoom.us/webinar/register/WN_kn-ZZIQFRggjhH1q3L9ZRQ)

After registering, you will receive a confirmation containing information on how to attend the virtual meeting.

To access the virtual meeting:

1. Open your internet browser and go to [investor.automic.com.au](http://investor.automic.com.au)
2. Login with your username and password or click "register" if you haven't already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on "Register" when this appears. Alternatively, click on "Meetings" on the left hand menu bar to access registration.
4. Click on "Register" and follow the steps
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting
6. You can ask questions or make comments through the "Q&A" function during the webcast
7. Once the Chair of the Meeting has declared the poll open for voting click on "Refresh" to be taken to the voting screen
8. Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted

In accordance with, ASIC's 'no-action' guidelines [21-061MR](#), the notice of meeting, accompanying explanatory statement and annexures (the **Meeting Materials**) are being made available to shareholders electronically. This means that:

- You are able to access the Meeting Materials, including the 2020 Annual Report, online at the Company's website, <https://elsight.com/investor-relations/>
- A complete copy of the Meeting Materials has been posted on the Company's ASX market announcements page.

### Voting through Proxy

Shareholders may also vote at this Meeting by completing and lodging their Proxy Form online at <https://investor.automic.com.au/#/loginsah> or email to [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au). For more details please follow the instructions on the Proxy Form.

If you have been appointed as the proxyholder you should send an email to [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au) to record the proxy.

**Important Note:** For your voting instructions to be valid and counted towards this meeting please ensure that your online lodgement is received no later than **4:00pm (AEST) on Monday 24 May 2021**. Voting instructions received after this time will not be valid for the scheduled meeting.

If you have any queries regarding your shareholding or the upcoming Elsieht Limited AGM, please contact Automic Group on 1300 288 664 (within Australia) or email [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au).

As a valued shareholder of the Company, we look forward to your participation in the Meeting.



Mark Licciardo  
Company Secretary  
Elsight Limited



(ACN 616 435 753)

## Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Elsie Limited (EL or the **Company**) will be held as follows:

Date: **Wednesday, 26 May 2021**

Time: **4:00pm (AEST)**

Venue: **At the Office of Automic Registry Services, Meeting Room Elleve, 477 Collins Street, Melbourne VIC 3000 and Zoom**

Online meeting link will be available from <https://elsight.com/>

The Annual General Meeting (Meeting) will be conducted from the above-mentioned venue with a pre-arranged quorum of members in attendance.

Please note that as a result of the uncertainty and health risks resulting from the ongoing Covid-19 pandemic and related restrictions on public meetings and gatherings, Shareholders will only be able to attend this Meeting via a live webcast.

Whilst the Meeting is in progress, Shareholders will be able to ask questions, make comments and cast votes at appropriate times.

For further instructions on how to participate online please view the online meeting user guide at <https://www.automicgroup.com.au/app/uploads/2021/01/Virtual-Meeting-Registration-and-Voting-Shareholder-Guide-V2.pdf>

### Business

#### **Financial Statements and Reports**

To receive and consider the Company's Annual Financial Report, including the Directors' Report and the Auditor's Report for the year ended 31 December 2020.

#### **1. Adoption of the Remuneration Report**

To consider and, if thought fit, to pass the following resolution as a **non-binding ordinary resolution**:

*"That the Company adopt the remuneration report for the year ended 31 December 2020 in accordance with section 250R(2) of the Corporations Act 2001 (Cth)."*

#### **Notes:**

The vote on this resolution is advisory only and does not bind the Directors or the Company.

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 1:

by or on behalf of a member of the Company's Key Management Personnel (KMP) whose remuneration details are disclosed in the remuneration report for the year ended 31 December 2020 or their closely related parties, in any capacity; or

as proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person who is entitled to vote on Resolution 1:

in accordance with the directions on the proxy form; or

by the person chairing the Meeting, in accordance with an express authorisation to exercise the proxy even though Resolution 1 is connected with the remuneration of KMP; or

by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chairman intends to vote all available undirected proxies in favour of Resolution 1.

## 2. Re-election of Mr Howard Digby as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 14.2 of the Company’s Constitution, Mr Howard Digby a Director, retires by rotation, and being eligible, be re-elected as a Director.”*

## 3. Ratification of issue of ordinary shares pursuant to ASX Listing Rule 7.4

To consider and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That in accordance with ASX Listing Rule 7.4, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1A, the issue of 6,295,556 fully paid ordinary shares in the capital of the Company, details of which are set out in the Explanatory Memorandum attached.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 3 by any participant in the placement as outlined in the Explanatory Memorandum accompanying this notice of Meeting and any of their associates, unless the vote is cast:

- a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- c) by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

However, the entity need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman will vote all available undirected proxies in favour of this Resolution 3.

#### 4. Ratification of issue of listed options pursuant to ASX Listing Rule 7.4

To consider and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That in accordance with ASX Listing Rule 7.4, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1, the issue of 14,148,023 listed options in the capital of the Company, details of which are set out in the Explanatory Memorandum attached.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 4 by any participant in the placement as outlined in the Explanatory Memorandum accompanying this notice of Meeting and any of their associates, unless the vote is cast:

- a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- c) by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

However, the entity need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman will vote all available undirected proxies in favour of this Resolution 4.

#### 5. Approval of Additional 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities of up to 10% of the total issued share capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 over a 12 month period and on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 5 by any person who may participate in the proposed issue of equity securities under this Resolution 5 and any person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder. If Resolution 5 is passed, and any of their associates, unless the vote is cast:

- a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- c) by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman intends to vote all available undirected proxies in favour of Resolution 5.

***Note: In accordance with ASX Listing Rule 14.11.1 and the relevant note under that rule concerning ASX Listing Rule 7.1A, as at the date of this notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no Shareholders are currently excluded.***

## Other business

To consider any other business that may lawfully be brought forward in accordance with the Constitution of the Company or the law.

## Other information

An Explanatory Memorandum accompanies and forms part of this notice of the Annual General Meeting.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

## Voting by proxy

Any Shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder. The proxy does not need to be a Shareholder of the Company and can be either an individual or a body corporate. A Shareholder can appoint a proxy by completing and returning a signed proxy form.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

If a Shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- (a) appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act 2001* (Cth) (the **Corporations Act**); and
- (a) provide satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. If you do not direct your proxy on how to vote on a particular item of business, you are authorising your proxy to vote as they decide, subject to any applicable voting exclusions.

If your proxy does not attend the Meeting, the Chairman will become your proxy by default. The Chairman intends to vote in favour of all resolutions on the agenda.

If you appoint the Chairman of the Meeting as your proxy or the Chairman of the Meeting is appointed as your proxy by default, and you do not provide any voting directions on your proxy form, by completing and returning the proxy form, you will be expressly authorising the Chairman of the Meeting to cast your vote as he sees fit. If you intend to appoint a member of the KMP (other than the Chairman) or any of their closely related parties as your proxy on Resolution 1, please ensure that you direct them on how to vote on Resolution 1.

Proxy forms must be submitted **no later than 4:00 pm (AEST) on Monday, 24 May 2021** in one of the following ways:

- (a) by mail to the Company's share registry, Automic Registry Services, GPO Box 5193, Sydney NSW 2001
- (b) by fax to Automic Registry Services on +61 2 85833040
- (c) by email to [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

(d) online via <https://investor.automic.com.au/#/loginsah>

(e) by hand delivery at Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

The proxy form has been enclosed. Please read all instructions carefully before completing the proxy form.

### Attendance and Voting

The Company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

1. Open your internet browser and go to [investor.automic.com.au](https://investor.automic.com.au)
2. Login with your username and password or click “**register**” if you haven’t already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.**
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on “**Register**” when this appears. Alternatively, click on “**Meetings**” on the left hand menu bar to access registration.
4. Click on “**Register**” and follow the steps.
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting
6. You can ask questions or make comments through the “**Q&A**” function during the webcast
7. Once the Chair of the Meeting has declared the poll open for voting click on “**Refresh**” to be taken to the voting screen.
8. Select your voting direction and click “**confirm**” to submit your vote. Note that you cannot amend your vote after it has been submitted

### Entitlement to vote

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company has determined that for the purposes of the meeting, shares will be taken to be held by the persons who held them as registered Shareholders at 7.00 pm (AEST) on Monday, 24 May 2021. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

### Voting Intentions

Subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all resolutions on the agenda.

In respect of all available undirected proxies, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all resolutions on the agenda.

### Questions and Comments by Shareholders at the Meeting

In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders - as a whole - to ask questions or make comments on the management of the Company at the Annual General Meeting. Due to the current global pandemic and limitations of the available technology, relevant written questions must be submitted no later than 5:00pm (AEST) on Tuesday, 25 May 2021, via <https://elsight.com>. A list of those questions will be available to Shareholders attending the meeting. A representative who has been designated by the management of the Company will either answer questions



at the meeting or table written answers to them at the meeting. If written answers are tabled at the meeting, they will be made available to Shareholders as soon as practicable after the meeting.

Similarly, a reasonable opportunity will be given to Shareholders - as a whole - to ask questions to the Company's external Auditor, BDO Audit (WA) Pty Ltd, relevant to:

- (a) the conduct of the audit;
- (b) the preparation and contents of the audit;
- (c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to BDO Audit (WA) Pty Ltd if the question is relevant to the content of BDO Audit (WA) Pty Ltd's audit report or the conduct of its audit of the Company's financial report for the year ended 31 December 2020.

Relevant written questions to BDO Audit (WA) Pty Ltd must be submitted no later than 5:00pm (AEST) on Wednesday, 19 May 2021. A list of those questions will be available to Shareholders attending the meeting. BDO Audit (WA) Pty Ltd will either answer questions at the meeting or table written answers to them at the meeting. If written answers are tabled at the meeting, they will be made available to Shareholders as soon as practicable after the meeting.

**Please send written questions for BDO Audit (WA) Pty Ltd to:**

By facsimile - +61 3 9602 4709;

Post to – C/ Mertons Corporate Services Pty Ltd – Level 7, 330 Collins Street, Melbourne VIC 3000

By order of the Board



**Mark Licciardo**  
**Company Secretary**

20 April 2021



(ACN 616 435 753)

## Explanatory Memorandum

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This Explanatory Memorandum sets out further information regarding the proposed resolutions to be considered by Shareholders of Elsieht Limited (**ELS** or the **Company**) at the 2021 Annual General Meeting to be held commencing at 4:00pm on Wednesday, 26 May 2021 at the Office of Automatic Registry Services, Meeting Room Elleve, 477 Collins Street, Melbourne VIC 3000 and Zoom via online meeting link, which will be available from <https://elsight.com>.

The Directors recommend that Shareholders read this Explanatory Memorandum before determining whether or not to support the resolutions.

### Financial Statements and Reports

Under section 317 of the Corporations Act, ELS is required to lay its Annual Financial Report, Directors' Report and Auditor's Report before its Shareholders at its Annual General Meeting. The Annual Financial Report is submitted for Shareholders' consideration and discussion at the Annual General Meeting as required. Meeting attendees are invited to direct questions to the Chairman and/or the Auditor in respect of any aspect of the report they wish to discuss. There is no requirement, either in the Corporations Act or the Company's Constitution, for Shareholders to approve the reports.

Representatives of ELS's auditor, BDO Audit (WA) Pty Ltd, will be present for discussion purposes on matters of relevance to the audit.

Shareholders can access a copy of the annual report on the Company's website at <https://elsight.com>

### Resolution 1 – Adoption of Remuneration Report

Resolution 1 provides Shareholders with the opportunity to vote on ELS's Remuneration Report. The Remuneration Report is contained in the Directors' Report. Under section 250R(2) of the Corporations Act, ELS must put the adoption of its Remuneration Report to a vote at its Annual General Meeting.

This vote is advisory only and does not bind the Directors or ELS.

The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at this meeting when reviewing ELS's remuneration policies. If 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of ELS's Directors other than the Managing Director must be offered up for election.

Key Management Personnel (including Directors) and their closely related parties must not cast a vote on the Remuneration Report unless as holders of directed proxies for Shareholders eligible to vote on Resolution 1.

ELS encourages all Shareholders to cast their votes on this resolution. The Chairman intends to vote all available undirected proxies in favour of this resolution as authorised by the proxy. If you wish to vote "against" or "abstain", you should mark the relevant box in the attached proxy form.

**Board recommendation and undirected proxies.** The Board recommends that Shareholders vote in **FAVOUR** of Resolution 1. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 1.

### Resolution 2 - Re-election of Mr Howard Digby as a Director

Clause 14.2 of the Company's Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting. Mr Digby, who has served as a director since 13 December 2016, retires by rotation and seeks re-election.

Mr Digby began his career at IBM and has spent 25 years managing technology related businesses in the Asia Pacific region, of which 12 years were spent in Hong Kong. More recently, he was with The Economist Group as Regional Managing Director. Prior to this, he held senior regional management roles at Adobe and Gartner. Upon returning to Perth, Mr Digby served as an Executive Editor of WA Business News and

now spends his time as an advisor and investor, having played key roles in several M&A and reverse takeover transactions. He is on the board of 4DS Memory Ltd, Vortiv Ltd, Cirralto Ltd and Singular Healthcare Ltd.

Having regard to the ASX Principles, the Company's Board considers Mr Digby as an independent director.

**Board recommendation and undirected proxies.** The Board (other than Mr Digby) recommends that Shareholders vote in **FAVOUR** of Resolution 2. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 2.

### **Resolution 3 and 4 –Ratification of issue of ordinary shares and listed options pursuant to ASX Listing Rule 7.4**

ASX Listing Rule 7.1 and 7.1A imposes a cap on the number of securities that a company may issue within the 12 month period. ASX Listing Rule 7.4 provides that an issue of equity securities made without Shareholder approval under Listing Rule 7.1 is treated as having been made with Shareholder approval for the purposes of Listing Rule 7.1 if the holders of ordinary securities subsequently approve it, and the issue did not breach Listing Rule 7.1. The Listing Rule 7.4 also notes that the issue made in accordance with Listing Rule 7.1A can be approved subsequently under Listing Rule 7.4. The issues of the shares and listed options described below did not breach any Listing Rules and shareholder ratification to those issues is now sought.

In order to restore the Company's capacity to issue shares, it is proposed that the Members ratify the issue of ordinary Shares and listed Options as detailed below. Ratification provides the Company with flexibility in capital management and allows the Company to make further issues for working capital or other purposes as required.

On 16 November 2020, the Company offered renounceable rights to its shareholders. The shareholders were offered 1 new Share for every 6 existing shares held on 19 November 2020 ("record date"), with 1 attaching listed Option, exercisable at \$0.90 and expiring on 31 March 2023, for every 2 new Shares subscribed. The issue of shares under the right issue falls within an exception to Listing Rule 7.1 and therefore the shares are not required to be included in Resolution 3

Further to that, on 11 December 2020, the Company undertook a placement to accommodate a portion of the oversubscribed rights issue on the same terms as that of the rights issue (Follow-on Placement), utilising the capacity under Listing Rule 7.1 and 7.1A, and without a shareholder approval.

On 15 December 2020, the Company issued 6,259,556 fully paid ordinary shares in the capital of the Company at an issue price of \$0.45 per share to the existing shareholders who participated in the Follow-on Placement. The issue was made utilising the capacity under Listing Rule 7.1A.

The fully paid ordinary shares were issued *pari passu* to existing securities.

The proceeds of the Follow-on Placement were utilised to increase and accelerate sales activities, broaden existing as well as new distribution channels, increase investment in a range of promotion and marketing activities, increase general working capital to accelerate order delivery, further investment in research and development (R&D), human resources and to meet the costs of the offer.

On 15 December 2020, the Company issued a total of 14,148,023 listed Options, exercisable at \$0.90 and expiring on 31 March 2023. The issue was made utilising the capacity under Listing Rule 7.1.

The listed Options were issued as follows:

- 3,147,778 to the existing shareholders who participated in the Follow-on Placement, and
- 11,000,245 to Mahe Capital Pty Limited, lead manager and underwriter to the rights issue and Follow-on Placement

These Options were issued on the same terms as mentioned in the Prospectus of the rights issue. The options offered under the Prospectus are subject to the following terms:

- a) The Options will be issued for no consideration.
- b) Each Option entitles the holder to be issued one Share.
- c) The exercise price of the Options is \$0.90 each.

- d) The expiry date of an Option is 31 March 2023.
- e) The Options may be exercised at any time prior to the expiry date, in whole or in part, upon payment of the exercise price per Option.

**Board recommendation and undirected proxies.** The Board recommends that Shareholders vote in **FAVOUR** of Resolution 3 and 4. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 3 and 4.

### **Resolution 5 – Approval of Additional 10% Placement Capacity**

ASX Listing Rule 7.1A provides that an eligible entity (as defined below) may seek Shareholder approval by special resolution at its Annual General Meeting to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue over a period of 12 months after the Annual General Meeting (10% Placement Capacity). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

If Shareholders approve Resolution 5, the number of equity securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

An eligible entity is one that, as at the date of the relevant Annual General Meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$69,337,622 (based on the number of Shares on issue which excludes restricted securities and the closing price of Shares on the ASX on 9 April 2021).

Any equity securities issued must be in the same class as an existing class of quoted equity securities. The Company currently has one class of quoted equity securities on issue, being Shares (ASX Code: ELS).

The number of equity securities that the Company may issue under the approval sought by Resolution 5 will be calculated in accordance with the following formula as set out in ASX Listing Rule 7.1A:

$$(A \times D) - E$$

*Where:*

**A** = the number of fully paid Shares on issue 12 months before the date of issue or agreement to issue:

- (i) plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid Shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid Shares issued in the 12 months under Listing Rules 7.1 and 7.4; and
- (iv) less the number of fully paid Shares cancelled in the 12 months.

**D** = 10%.

**E** = the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of the Shareholders under Listing Rule 7.1 or 7.4.

*Technical information required by Listing Rule 7.1A*

While the Company does not have any immediate plans to issue shares, purposes for which shares may be issued pursuant to Resolution 5 may include the raising of capital to facilitate further investment opportunities.

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 5:

**Minimum Price:** Under the ASX Listing Rules, the minimum price at which the equity securities may be issued is 75% of the volume weighted average price of equity securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the equity securities are to be issued is agreed; or
- (ii) if the equity securities are not issued within 10 ASX trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

**Risk of voting dilution:** Shareholders should be aware there is a risk of economic and voting dilution that may result from an issue of equity securities under the 10% Placement Capacity, including the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting where approval is being sought; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the date of issue.

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any equity securities under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the potential dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of the Shares and the current number of Shares on issue as at the date of this Notice of Meeting. The table also assumes that no options on issue are exercised into Shares before the date of issue of the equity securities.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.<sup>1</sup>

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.260 50% decrease in Issue Price	\$0.520 Issue Price	\$1.04 100% increase in Issue Price
Current Variable A 133,341,582	10% Voting dilution	13,334,158	13,334,158	13,334,158
	Funds raised	\$ 3,466,881	\$ 6,933,762	\$ 13,867,525
50% increase in current Variable A 200,012,372	10% Voting dilution	20,001,237	20,001,237	20,001,237
	Funds raised	\$ 5,200,322	\$ 10,400,643	\$ 20,801,287
100% increase in current Variable A 266,683,164	10% Voting dilution	26,668,316	26,668,316	26,668,316
	Funds raised	\$ 6,933,762	\$ 13,867,525	\$ 27,735,049

<sup>1</sup> The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of shares available under ASX Listing Rule 7.1A;

- (ii) The table shows only the effect of shares issues under ASX Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under ASX Listing Rule 7.1;
- (iii) The current issue price is \$0.520, being the closing price of the shares on ASX on 9 April 2021.
- (iv) The current number of shares on issue is the shares on issue as of 9 April 2021, being 133,341,582.

The table shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of shares the Company has on issue. The number of shares on issue may increase as a result of issues of shares that do not require approval (for example, a pro-rata entitlements issue) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the current market price.

**Date of Issue:** If Shareholder approval is granted for Resolution 5, then that approval will expire on the earlier of:

- (i) 26 May 2022, being 12 months from the date of the Meeting; or
- (ii) the date Shareholder approval is granted to a transaction under ASX Listing Rule 11.1.2 (proposed change to nature and scale of activities) or ASX Listing Rule 11.2 (change involving main undertaking); or
- (iii) the time and date of the Company's next annual general meeting.

The approval under ASX Listing Rule 7.1A will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

**Purpose of Issue under 10% Placement Capacity:** The Company may issue equity securities under the 10% Placement Capacity for various purposes including the following:

- (i) as cash consideration in which case the Company intends to use funds raised to intensify and aggressively pursue its stated intention to separate the individual business units within the Company according to its six main and autonomous businesses; or
- (ii) as non-cash consideration for the acquisition of additional assets, as yet not identified, that are complimentary to the Company's existing business.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

**Allocation under the 10% Placement Capacity:** The allottees of the equity securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of equity securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the equity securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and

- (vi) advice from corporate, financial and broking advisers (if applicable).

**Previous Approval under ASX Listing Rule 7.1A:** The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at the 2020 Annual General Meeting held on 30 July 2020.

**Information required under ASX Listing Rule 7.3A.6:** The Company issued 6,295,556 Shares under ASX Listing Rule 7.1A.2 over the 12 months preceding the date of the meeting (representing 5.94% of the total number of equity securities on issue at the commencement of the 12 month period). The Shares were issued in the Follow- on Placement made on 11 December 2020.

The following additional information is provided in relation to the shares issued:

- (i) the shares were issued at \$0.45 per share, representing a discount of 22% to the Company's last price of \$0.58 and 25% to the 30 day volume weighted average price of the Company's shares traded on ASX leading to 13 November 2020;
- (ii) the shares were issued to professional and sophisticated investors or to other persons to whom disclosure is not required under Chapter 6D of the Corporations Act, including clients of Mahe Capital Pty Limited, Lead Manager and Underwriter to the follow on placement;
- (iii) the shares issued are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares on issue; and
- (iv) an amount of \$2,833,000 was raised on issue of the shares and the funds were utilised to increase and accelerate sales activities, broaden existing as well as new distribution channels, increase investment in a range of promotion and marketing activities, increase general working capital to accelerate order delivery, further investment in research and development (R&D), human resources and to meet the costs of the offer.

**Board recommendation and undirected proxies.** The Board recommends that Shareholders vote in **FAVOUR** of Resolution 5. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 5.

**Glossary**

In this Explanatory Memorandum and the Notice of Meeting:

**ASX Listing Rules** means the listing rules of the ASX Limited

**Board** means the Board of Directors of the Company.

**Company** means Elsieht Limited.

**Constitution** means the Constitution of the Company.

**Director** means a Director of the Company.

**Explanatory Memorandum** means this Explanatory Memorandum which forms part of the Notice of Meeting.

**Meeting** means the Annual General Meeting of the Company the subject of this Notice of Meeting scheduled to occur on Wednesday, 26 May 2021.

**Option** means option to acquire a Share.

**Shareholder** means a holder of a Share.

**Share** means a fully paid ordinary share in the capital of the Company.



# Proxy Voting Form

If you are attending the virtual Meeting  
please retain this Proxy Voting Form  
for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **4.00pm (AEST) on Monday, 24 May 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at  
<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

**All enquiries to Automic:**

**WEBCHAT:** <https://automicgroup.com.au/>

**PHONE:** 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

