

## Elsight secures commitments for \$8 million capital raising to fund growth

### Key Highlights:

- Commitments secured to raise \$8 million through the issue of convertible notes by well-recognised domestic institutions and sophisticated investors.
- Funds raised to be used to support the continued growth with the 'Design Win' strategy and fund capital expenditure to ensure the Company can continue and accelerate its growth rate within the unmanned market following several commercial partnership agreements announced in 2022.

**Elsight Limited (ASX: ELS) ('Elsight Ltd, 'Elsight' or 'the Company')**, the recognised industry leader in drone connectivity solutions, is pleased to announce it has secured commitments to raise \$8 million through an offer of secured convertible notes (**Convertible Notes**) to a range of well recognised Australian institutions and sophisticated investors (**Capital Raise**).

Under the terms of the convertible note subscription deed, subscription monies will be advanced to the Company in two tranches. The first tranche of \$6 million will be advanced to the Company within 30 days using the Company's existing placement capacity under ASX Listing Rule 7.1. The final tranche of \$2 million will be advanced subject to the Company receiving shareholder approval for the issuance of such tranche of convertible notes at a general meeting of shareholders.

### Key Terms

Each Convertible Note has a face value of \$0.30, a term of 24 months from the date of issue, 8% per annum capitalised interest rate and converts into one (1) fully paid ordinary share of the Company.

Noteholders may convert their Convertible Notes in parcels of not less than 100,000 at any time from the first anniversary from the date of issue until the maturity date. The conversion price will be adjusted for any restructuring or capital raisings undertaken by the Company in accordance with ASX Listing Rules.

Unless converted by a Noteholder prior, all Convertible Notes outstanding must be repaid in full on maturity. Prepayment at any time by the Company is permitted with 30 days' notice to the Noteholders.

Gleneagle Securities Pty Ltd ACN 136 930 526 acted as lead manager to the Capital Raise and is entitled to a fee of 4% of funds raised.

## Use of Funds

Funds raised from the offering will strengthen Elsight's balance sheet and allow the Company to execute on growth initiatives.

During 2022, Elsight signed a number of multi-year commercial agreements with various partners and while initial orders have been received, the Company is expecting multiple repeat orders under these agreements. Funds raised will enable the Company to continue its growth strategy and fund additional capital expenditure to ensure it is able to satisfy the unmanned market demands while going towards mainstream commercial adaptation. Funds raised will also be applied to general working capital requirements of the business as it continues to grow and scale.

### **Elsight CEO Yoav Amitai commented on the Capital Raising:**

"Calendar 2022 has been a breakthrough year for Elsight as we delivered a number of commercial agreements and laid the foundations for further growth as the unmanned industry continues to push towards mainstream commercial adoption in a number of sectors. The Company is expecting several repeat orders with our partners over the near term and this capital raise ensures we are well placed to continue to position Elsight as market leader."

"I would like to thank our shareholders and new investors for supporting the Company through this next exciting growth phase for the business."

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

-ENDS-

### **For more information, please contact:**

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### **About Elsight**

**Elsight (ASX:ELS)** ([www.elsight.com](http://www.elsight.com)) Elsight delivers Absolute Connection with 24/7 Confidence. Our proprietary bonding technology incorporates both software and hardware elements to deliver extremely reliable, secure, high bandwidth, real-time connectivity - even in the most challenging areas for stationary, portable, or actively mobile situational requirements.