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ASX Announcement

ELSIGHT LAUNCHES RENOUNCEABLE RIGHTS ISSUE TO RAISE UP TO $8.15 MILLION TO FUND GROWTH

16 November 2020

Highlights

- **1 for 6 Renounceable Rights Issue to raise up to $8.15 million**
- **Issue attractively priced at $0.45 per share**
- **Discount of 22% to the last price of $0.58 and 25% to the 30 day VWAP of $0.60**
- **With every 2 New Shares, shareholders receive 1 free attaching New Option**
- **New Options have an Exercise Price of $0.90, expire on 31 March 2023.**
- **Application will be made to have the New Options listed**
- **Shareholders will be able to trade their rights and apply for additional shares and options**
- **Rights to start trading from 24 November 2020**
- **New issue underwritten to the amount of $3 million by Mahe Capital**
- **Directors intend to participate for their full entitlement**
- **Directors sub-underwriting for additional $50,000 from any resulting shortfall**
- **Funds to be used primarily to support increased investment on expanded sales and marketing activities, and to increase working capital to speed up and accelerate order delivery times.**

Elsight Limited (ASX: ELS) ("Elsight" or "the Company") is pleased to announce the launch of a Renounceable Rights Issue to raise approximately $8.15 million. Funds raised will be used to increase and accelerate sales activities, including additional sales hires, broaden existing as well as new distribution channels, increase investment on a range of promotion and marketing activities, increase general working capital in order to accelerate order delivery, as well as providing further investment for ongoing product development, human resources, and to meet the costs of the offer.

Under the offer, shareholders will be 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.

Assuming full subscription under the Rights Issue, Elsight will be well-funded with up to $8.15 million in new capital and available to:

- Take advantage of a range of commercial opportunities that have arisen from the demonstrated functionality of its latest flagship product, 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 build inventory in anticipation of increased sales and strategic need to speed up delivery time. Such measures will enable the fastest fulfilment for existing as well as new orders;
- Significantly expand the Company's sales and marketing activities, as well as undertake future product development activities; and
- Contribute towards ongoing general working capital requirements, including the hiring of additional personnel.
- Adding a small war chest to enable future M&A to accelerate the aggressive planned organic growth

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Details of The Issue

The rights issue price represents a discount of:

- 22% to the Company's last close of $0.58 on the ASX; and
- 25% to the Company's 30 day VWAP of $0.60.

The Rights Issue is open to all eligible shareholders who have a registered address within Australia or New Zealand, and who hold Shares on the Record Date. The Rights Issue will close on 8 December 2020 (unless extended), and eligible shareholders will be able to apply for shortfall shares in excess of their entitlement. Shareholders will also be able to trade their rights from 18 November 2020.

Mahe Capital advised on the issue and is acting as Lead Manager and Underwriter to the issue. The issue is partially underwritten to the amount of $3 million.

All New Shares issued will rank equally with existing shares on issue and the Company will apply for quotation of the New Shares and Options. A Prospectus in relation to the Rights Issue was lodged with ASIC on 16 November 2020 and, together with a personalised Entitlement Acceptance Form, will be sent to eligible shareholders either via email or post shortly after the Record Date.

Eligible shareholders should consider the Prospectus in deciding whether to acquire securities under the Rights Issue, and will need to follow the instructions on the Entitlement and Acceptance Form that will accompany the Prospectus. The following are indicative dates in respect of the capital raising:

Event	Date
Ex entitlement date Rights trading commences on a deferred settlement basis	18 November 2020
Record Date for determining entitlements (5:00pm EST)	19 November 2020
Prospectus and personalised Entitlement and Acceptance Forms sent out to Eligible Shareholders	23 November 2020
Rights trading ends	1 December 2020
Closing date of entitlement issue (5:00pm EST)	8 December 2020
ASX notified of under subscriptions	11 December 2020
Issue date	15 December 2020

These dates are indicative only and may change, subject to the Corporations Act and Listing Rules.

Inquiries about Rights entitlement

Automic Pty Limited, the Company's share registry

T: 1300 288 664 or +61 2 9698 5414

www.automicgroup.com.au

Corporate, Business, and Media Enquiries

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About Elsight

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. Elsight'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. Elsight's customers range from defence and homeland security to industrial security, broadcasting, first responders and healthcare.

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