

Elsight Meets Performance Milestone

Highlights

- The Company met its first performance milestone upon achieving aggregate revenues of AU\$1,000,000 as defined in section 11.3 of the Prospectus
- Class A Performance Options issued to Elsight Founders, Mr Nir Gabay (CEO) and Mr Roe Kashi (CTO) subject to escrow agreements for 24 months from Quotation.
- The Vesting of Options follows exhaustive review of sales data including an audit of all invoices conducted by BDO Israel.
- In addition to the escrow agreements, each of the recipients agreed that they will not exercise his Class A performance options within a year or before the Company meeting the second milestone, (whichever is earlier).

Tel Aviv, Israel — July 13, 2018 — Elsight Limited (ASX: “ELS”) (“Elsight” or the “Company”) is pleased to announce it has met the first performance milestone as defined in section 11.3 of the Prospectus.

Background

The Company entered into the Share Sale Agreement dated 11 April 2017 as varied by the deed of variation dated 16 May 2017 between the Company and the vendors of El-sight Israel Ltd (Israel company number 51-424298-1) (“Elsight Israel”) pursuant to which the Company would acquire 100% of the issued share capital in Elsight Israel (“Share Sale Agreement”). The Company closed the offer issued under the replacement prospectus dated 27 April as varied by the supplementary prospectus dated 22 May (together the “Prospectus”) under which funds were raised from the public. Pursuant to the Share Sale Agreement and the Prospectus the Company issued 30 million Performance Options in three tranches with 29,595,000 being issued to Nir Gabay the subject of an ASX escrow agreement for 24 months from quotation and 405,000 being issued to Roe Kashi the subject of a voluntary escrow agreement for 24 months from quotation.

Section 11.3 of the Prospectus outlines the terms and conditions of the Performance Options to be issued as part of the acquisition, which states:

- one third of the Performance Options will vest and become exercisable upon the Company achieving aggregate revenue of AU\$1,000,000 from the sale of products based on the Technology in a Year for broadcast or to consumers or to manufacturers of consumer or safety products or any business in the distribution chain of consumer or safety products (Class A Performance Options);
- one third of the Performance Options will vest and become exercisable upon the Company achieving aggregate revenue of AU\$4,000,000 from total sales of products based on the Technology in a Year (Class B Performance Options); and
- one third of the Performance Options will vest and become exercisable upon the Company achieving aggregate revenue of AU\$10,000,000 from total sale of products based on the Technology in a Year (Class C Performance Options).

“The term “Year” shall mean one of: (a) the time period commencing 1.1.2017 and ending on the 12 months anniversary of the listing of completion of the relisting or IPO; (b) The 12 month period immediately after the end of the first Year; and (c) The 12 month period immediately after the end of the second Year”

Achievement of first milestone and Vesting of Class A Performance Options.

The board has examined the breakdown of Company sales data including all invoices from Jan 1 2017 to June 8 2018 (12 months anniversary of the Listing). This information was audited by accounting firm, BDO Israel. As a result of this audit, to the satisfaction of the Board of Elsieht Limited, The Class A Performance Options have vested upon the Company meeting the first milestone hurdle as follows:

- 9,865,000 to Nir Gabay to remain subject to the ASX escrow agreement noted above; and
- 135,000 to Roe Kashi to remain subject to the voluntary escrow agreement noted above.

The Board also wishes to advise that in addition to the escrow agreements undertaken by them, Mr Gabay and Mr Kashi have both agreed that they will not exercise their performance options received upon meeting the first milestone, until the earlier of: (a) June 8, 2019; and (b) Company meeting the second milestone.”

“The triggering of this milestone in the first eligibility period highlights the focus of management to quickly drive and grow revenue,” said the Elsieht Board. “We are also appreciative of the Company Founders for offering to accept additional restrictions on their additional securities, underlying their conviction about the exciting commercial opportunities ahead.”

-ENDS-

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About Elsieht

Elsieht (www.el-sight.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, industrial security, broadcasting, first responders and healthcare.