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ASX Announcement **10 August 2017**

Elsight is awarded Strategic Israeli Police and Government Tender

Highlights

- **Elsight wins significant public tender to supply Israeli Police and other government units with solutions for Communication On-The-Move (COTM) in years to come.**
- **Second Police Tender win is part of a growing chain of tender victories with revenue impact starting in Q4/2017 and continuing through 2018 and beyond with a low cost of sales.**
- **Surpassing the extremely high standards of this most demanding tender offers a welcome indicator of the competitive strength of Elsight's value proposition.**

Jerusalem, Israel — August 10, 2017 — Yesterday, ***Elsight*** Ltd. (ASX: "ELS") was announced by the Israel Police as the winner of a most strategic Tender (Tender No. 2/2017: "Multi-SIM Card Tactical Video System"). The Tender provides ***Elsight*** with an exclusive and extensive contract to supply the **Police** and other units under the Ministry of Public Security of the Government of Israel (such as **The Israeli Prison Service** and **the Israeli Fire and Rescue Services**) with a platform for Communication On-The-Move (COTM).

This win comes following the great success experienced by the Israeli Police together with independent Israeli and American security forces during President Trump's recent visit to the region. **Elsight** provided them with the Communication On-The-Move (COTM) solution that followed the president from two minutes before Airforce One landed until its safe takeoff – to everyone's great satisfaction.

The win will turn **Elsight** into the exclusive supplier of Multichannel COTM solutions for many different applications including but not limited to police cars, prisons, prisoner transport vehicles, fire engines, drones, autonomous unmanned security vehicles, police special units and much more. This deal is expected to generate revenues commencing in late 2017 and growing through 2018 and beyond, marked by low cost-of-sales. This comes after an earlier win by **Elsight** to supply part of the solution to the next generation police investigation rooms currently under design.

Based on the terms and conditions of this tender – ***Elsight*** will officially enter into a four-year (2 + 2 optional) agreement, with no financial cap, that enables the Police and many other similar government agencies to buy solutions based on their own allocated budget. The reasons for this cap-less financial agreement are twofold:

1) Opening it to other governmental agencies and organizations beyond the Police.
2) The sporadic and often urgent nature of technology procurement by these types of organizations. This could be marked by a specific security event or a political agreement with security consequences. Such events are known to cause special overnight allocations of emergency funds, as a procurement budget increase.

Because the solution will be deployed by Police Special Forces under the most severe and demanding operational conditions, where people's lives are at stake, The Tender called for full compliance of the feature requirements, and a zero tolerance for operational failure. Each contender was required to show full technical compliance of The Tender's requirements under laboratory conditions. Once successfully passing this critical binary stage (pass/fail), the platform was installed in a police car driven in various challenging areas and conditions for hours - expecting to perform flawlessly (with only minor tolerance for momentary failure).

"To win this tender under such challenging and extreme conditions is a strong indication and a vote of confidence by a most demanding customer," commented Nir Gabay, ***Elsight*** CEO. "Demonstrating one-of-a-kind resilience, unmatched capability, the widest range of services and breakthrough technology enables **Elsight**'s multichannel platform to compare strongly in competitive situations, and importantly, deliver above-expectation customer value"

The tender was led by the Technologies Department which is part of the Support and Logistic Department of the Police. This function is responsible for the development of advanced technologies, infrastructure, (C4i) of the Police. They also procure new technical solutions for the Police, and for other units reporting to the Ministry of Public Security.

For reasons of national security, the budget for this tender is classified as well as the exact timing of its deployment. However, as Elsight is an exclusive preferred supplier the Board expects revenue in 2017 with revenue growth in 2018, driven by demand from the Israeli police and government agencies. Elsight will continue to indicate revenue (cash) outlook in its quarterly, half yearly and annual ASX filings and announce any material customer contracts awarded.

-**ENDS**-

For more information, please contact:

Corporate Enquiries
Nathan Barbarich
RM Corporate Finance
T: +61 8 6380 9200
E: nbarbarich@rmcf.com.au

Media and Business Enquiries
Howard Digby
Elsight Limited
T: +61 434 987 750
E: howarddigby@gmail.com

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About Elsight

Elsight Ltd. (ASX: "**ELS**") is a solution provider of ground-breaking hybrid video and data services (on-the-move or fixed) for large Safe-City projects, sensitive facilities management, and surveillance activities. The platform supports video capturing, recording, and highly secured and protected 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, industrial security, first responders and healthcare.

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