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ASX Announcement **8 August 2018**

Elsight Awarded Important Defence Contract

- Elsight awarded sole supplier status by key Israeli defence agency following yearlong tender process
- First significant order worth approximately US$217,000 plus support and maintenance
- Elsight expanding its foothold in the C4ISR defence segment worth over US$95bn (in 2016[1])

Elsight Limited (ASX: ELS) announces that after a yearlong comprehensive governmental tender process, it has been awarded sole supplier status by a key agency in the Israeli defence establishment. Elsight has received an initial purchase from the agency, which cannot be named for national security reasons, which the Company believes will lead to additional orders in the future.

The order includes an initial configuration of Elsight product, worth approximately $US217,000 (to be booked this quarter) and a small support and maintenance order to be spread and recognised over the next three years. Details of the product configuration are also confidential for reasons of national security. This order is the first direct result of the strategic sales effort that the Company launched after the 2017 IPO. Due to the relatively long sales cycle with large customers, the Company expects this order to be a leading indicator of similar sales results in this area.

The process, which began as a Public Tender by the Ministry of Defense, was converted into a "Single Supplier" procurement route because only one responding company was able to meet the technical requirements for the project. The evaluation process involved extensive field testing, including the use of Elsight products in live training.

"We are grateful and pleased to be awarded this contract which validates the investment we have made in creating technically superior products for this industry", said Mr. Nir Gabay, CEO and founder of Elsight. "In particular, sole supplier status allows any part of the customer and agencies under the Ministry to be able to purchase the products under the contract from Elsight without needing to go to tender or seek competitive bids."

As outlined in the Prospectus, Elsight gained its early commercial success with Multichannel video communications solutions for special forces and is seeking to expand its business into the much larger defence industry. Secured video and data transmission from the field is a large and growing segment in the C4ISR industry which is predicted to grow to $US119bn by 2022 according to "Markets and Markets"[1] a research consultancy.

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[1] (Communication, Command & Control, Computers, Intelligence, Surveillance & Reconnaissance) "C4ISR Market by Application", Markets and Markets, January 2018

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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 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 defense and homeland security, industrial security, broadcasting, first responders and healthcare.