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ASX Announcement **October 2, 2019**

Elsight Ltd. Commences Halo Proof of Concept Trial for Drone Deliveries

Highlights

- **Elsight** has received an order for 3 Halo units from Gadfin, an innovative drone technology developer, for a paid, **Proof-of-Concept (POC) field trial**.
- **Gadfin** designs and develops futuristic, long-range, urgent-delivery drone systems.
- **Halo is Elsight's flagship communication platform**, integrating Elsight's high bandwidth, totally secure, data and video transmission technology in a product with a miniaturised form factor and weight, while offering exceptionally low battery consumption and heat index.
- The POC trial will include 3 Halo units for integration, testing, and demonstration to new customers.
- This trial will have important implications for **"beyond the visual line of sight"** drone operations.

October 2, 2019 — Elsight (ASX: "ELS") an ASX listed company that develops advanced communication technologies for real-time data, video, and audio transmission over cellular networks in mission-critical environments, will commence an initial Halo proof-of-concept (POC) trial with drone technology developer, Gadfin.

Gadfin - Aero-Logistics System is a long-range, aerial delivery network provider for the logistics market. Based on its unique breakthrough – unmanned aerial cargo vertical take-off (VTOL) systems – Gadfin has become a gamechanger for the medical, time-critical and hub-to-hub segments in the deliveries market. Gadfin's system combines traditional flight knowledge with unmanned and autonomous technology, redefining delivery capabilities with respect to flight radius, safety, reliability, and automation.

The proof-of-concept trial will use 3 Halo units to evaluate and integrate with Gadfin's solution, with the aim of demonstrating their technology to new customers.

This Halo POC trial holds a high degree of importance for Elsight as it has the potential to showcase a key differentiator of the Halo platform for the entire drone industry, in particular, drone operations "beyond the visual line of sight" (BVLOS), as will be the case for deliveries. BVLOS, exactly as the name suggests, refers to when the drone is operating beyond the direct sight of the operator. BVLOS is one of the most talked about concepts in the drone industry today and many regard BVLOS as a tipping point towards making such activities as drone deliveries and remote inspection commercially viable. Some of the world's leading companies have indicated their intention to undertake drone deliveries in a wide range of applications. Currently, the issues of security, low battery consumption and weight, as well as availability and latency, are major issues for the drone industry. These are the core issues that Halo was designed to address, issues that need to be solved in order to turn such drone operations into a reality.

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"We are looking forward to working with Gadfin and are excited for the opportunity to showcase the unique capabilities of Halo," said Nir Gabay, Elsight CEO. "This is a very strategic trial as we intend to show the world a practical solution to solve the issues presented by 'beyond the visual line of sight' drone operations."

"We have chosen to integrate Elsight's Halo cellular communication system into our Gadfin Spirit One, Gadfin Spirit X, and other Aerial Cargo Systems," said Eyal Regev, Gadfin CEO. "We are testing the Halo system in real life operations as part of our strategy that strives to integrate breakthrough technologies that will allow us to be a gamechanger in terms of safety, reliability and compatibility with flight regulations."

-**ENDS**-

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About Elsight

Elsight (ASX:ELS) is a cutting-edge communications and live data transmission solutions provider for organisations across defence and security, IoT, sensitive facilities management, large-scale Safe City projects, as well as surveillance and protective activities. The platform supports video capturing, recording, and highly secured transmission that can prevent against video interception and hacking. With an unmatched level of reliability, our products provide the lowest latency and highest adaptive bandwidth over cellular networks to ensure safe and stable signals.

About Gadfin

Gadfin (www.gadfin.com) is a long-range aerial delivery network provider for the logistics market. Gadfin Aero-Logistics Systems provides an end-to-end solution for hub-to-hub delivery by creating autonomous "railways in the sky," based on its breakthrough development of the next generation of delivery drones. For that purpose, Gadfin designs and builds designated unmanned, electric, vertical take-off (VTOL) cargo delivery systems, with unique characteristics that can fly long distances, in harsh weather conditions, strong winds and heavy rain, day and night. Gadfin's systems meet the highest safety criteria, with full redundancy in all critical components, including a first-of-its-kind fail safe cargo drone. The cargo systems include air-vehicles, autonomous ground operation stations and regional control centers. Gadfin works with partners all around the world throughout the logistical supply chain, medical facilities, big manufacturers, oil & gas companies, and more, in order to integrate its systems into their environments.