

Acorn Energy Agrees to Sell DSIT Interest for \$5.8M to Focus Resources on Growing its OmniMetrix Remote Monitoring and Control (IoT) Business

Wilmington, DE, January 19, 2018 – Acorn Energy, Inc. ([OTCQB: ACFN](#)), announced today that it has reached an agreement to sell its remaining 41.15% interest in DSIT Solutions Ltd. for \$5.8 million, before fees and taxes, to an Israeli investor group. The sale of the DSIT stake represents one of the final steps in refocusing Acorn on the long-term growth potential of its OmniMetrix wireless remote monitoring and control services for gas pipelines and stand-by generators for cell towers, medical facilities, data centers, public transportation systems and other facilities. The transaction is expected to close within about 30 days, subject to specific closing conditions, including approval of the Israeli Antitrust Authority.

DSIT Solutions provides underwater sonar and acoustic detection systems and is 50% owned by Israel-based Rafael Advanced Defense Systems Ltd. DSIT generated revenues of \$17.9 million in the latest-twelve-month period ended September 30, 2017.

Acorn CEO Jan Loeb commented, “Concluding a two-year restructuring effort, we have executed an agreement to complete Acorn’s transformation from an undercapitalized, diversified holding company with negative operating cash flow, to a focused leader in the growing market for the remote monitoring and control of industrial assets with a solid balance sheet.

“Proceeds from the sale will be used to eliminate Acorn’s debt, satisfy liabilities and provide working capital. Following the transaction, we expect to have approximately \$2 million of cash, which we believe is sufficient to fund the operations of Acorn and OmniMetrix for the foreseeable future. We plan to update our shareholders in greater detail on our financial position and growth strategy following the closing of the DSIT sale.”

About Acorn (www.acornenergy.com)

Acorn Energy, Inc. is a holding company with investments in two portfolio companies:

OmniMetrix™, Inc. (www.omnimetrix.net) - is a leader and pioneer in machine-to-machine (M2M) and Internet of Things (IoT) wireless remote monitoring and control for stand-by generators, gas pipelines, cell towers, medical facilities, data centers, public transportation systems, and other critical equipment, including at federal, state and municipal government facilities. OmniMetrix is a proven solution for making critical systems more reliable with thousands of monitored assets and many Fortune 500 customers. Acorn has an 80% equity stake in OmniMetrix and consolidates its assets, liabilities and results of operations.

DSIT Solutions Ltd. (www.dsit.co.il) - develops and produces sonar applications for defense, HLS, energy and commercial markets. DSIT employs a world-class multi-disciplinary professional team skilled in the latest sonar and real-time technologies. Products include: The Shield family of Diver Detection Sonars, Anti-Submarine Warfare and Hull Mounted Sonar systems, Portable Acoustic

Ranges, Underwater Acoustic Signal Analysis applications and sonar simulators and trainers. Acorn has a 41.15% equity stake in DSIT that it accounts for under the equity method.

Safe Harbor Statement

This press release includes forward-looking statements, which are subject to risks and uncertainties. There is no assurance that Acorn will be successful in completing this transaction; growing its business; reaching profitability; or maximizing the value of its operating companies and other assets. A complete discussion of the risks and uncertainties, which may affect Acorn Energy's business, including the businesses of its subsidiaries is included in "Risk Factors" in the Company's most recent Annual Report on Form 10-K as filed by the Company with the Securities and Exchange Commission.

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