

Acorn Energy Announces Strategic Partnership

Rafael Advanced Defense Systems Agrees to Acquire a 50% Interest in DSIT



Acorn Energy, Inc. 4 minutes ago

WILMINGTON, DE--(Marketwired - Jan 28, 2016) - Acorn Energy, Inc. (OTCQB: ACFN) today announced the sale of a 50% strategic interest in its DSIT Solutions, Ltd. business to Rafael Advanced Defense Systems, a major Israeli defense company.

Including the earn-out, the implied company value of DSIT reflected in the transaction is \$15.1 million. Initial gross proceeds from the transaction will be \$6.6 million and Acorn expects to receive gross proceeds of approximately \$4.9 million before escrow, fees and taxes. Acorn is also eligible to receive its pro-rata share of a \$1.0 million earn-out over a three-year period. The proceeds of the sale will be used by Acorn to repay approximately \$2.4 million of short-term debt and other liabilities and for general working capital purposes.

Benny Sela, CEO of DSIT, said, "We have long-admired Rafael and its culture of innovation and excellence. We are excited to become its partner and hope to leverage its technology capabilities as well as its global sales reach to support and extend DSIT's growth and realization of our existing sonar technology as well as our new technology of Fiber Optic based sensing."

John Moore, CEO of Acorn Energy, commented, "As DSIT landed larger projects each year, we recognized that DSIT needed a stronger partner to support and expand the size and scope of projects they could take on. Rafael is a terrific company known around the world for its 'Iron Dome' air defense system among other world leading products."

The transaction requires the approval of the Israeli Ministry of Defense and the Israeli Anti-Trust Authority.

About Acorn Energy, Inc.

Acorn Energy, Inc. is a holding company whose three portfolio companies help their customers achieve greater productivity, reliability, security, and efficiency -- factors which can lead to greater profitability. GridSense® provides monitoring for all critical points along the electricity delivery system. OmniMetrix™ remotely monitors emergency back-up power generation systems to increase their reliability. DSIT provides security solutions from underwater threats to naval and marine based energy assets. For more information visit: <http://www.acornenergy.com>.

About Rafael Advanced Defense Systems, Ltd.

Rafael develops and manufactures advanced defense systems for the IDF and the defense establishment in Israel and for many countries around the world, and conducts global partnerships. Rafael is the largest employer in Northern Israel with approximately 7,000 employees and numerous subcontractor and service suppliers. Rafael Advanced Defense Systems Ltd ended 2014 with a net profit of \$90 million, orders totaling \$3 billion, an order backlog of \$5 billion and sales of \$1.9 billion.

About DSIT

DSIT develops and produces sonar systems for the defense, HLS, energy and commercial markets. The company employs a world-class multi-disciplinary team of professionals that are skilled in the latest sonar and real-time technologies. DSIT products include: The Shield family of Diver Detection Sonars, Anti-Submarine Warfare systems, Portable Acoustic Ranges, Underwater Acoustic Signal Analysis applications and sonar simulators and trainers. DSIT is also in the process of developing innovative Fiber-Optic based sensors. For more information visit www.dsit.co.il

Safe Harbor Statement

This press release includes forward-looking statements, which are subject to risks and uncertainties. The closing of the transaction described in this release is subject to the approval of the Israeli Ministry of Defense and the Israeli Anti-Trust Authority and customary closing conditions. A complete discussion of the risks and uncertainties which may affect Acorn Energy's business generally and 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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