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**Strength in Remote Monitoring and Control IoT Solutions for Pipelines**

**and Generators Drives 17% Increase in Acorn's 2018 Revenue**

*Dial 844-834-0644 for Investor Call Today at 11:00 am EDT*

**Wilmington, DE – March 27, 2019 –** [Acorn Energy, Inc.](http://acornenergy.com/) (OTCQB: [ACFN](https://finance.yahoo.com/quote/ACFN/profile?p=ACFN)), a provider of remote monitoring and control systems and services for generators, pipelines and other industrial assets through its OmniMetrix subsidiary, today announced results for its fourth quarter (Q4'18) and year ended December 31, 2018. Acorn will host a conference call today at 11:00 a.m. EDT (details below) to review its results and outlook.

Jan Loeb, President and CEO of Acorn, commented, "OmniMetrix extended its revenue growth track record in 2018 – though below our growth goals ­– and achieved for the first time positive EBITDA and cash flow for the year. OmniMetrix also posted its first positive operating profit in the second half of 2018. On a consolidated basis, Acorn was able to trim its operating loss by 28% or $535,000 to $1.4 million in 2018 versus $1.9 million in 2017.

"Recent introductions of next-generation, higher-performance products in our Power Generation segment contributed to an increase in OmniMetrix’s gross margin to 61% in 2018 versus 56% in 2017. We also continued to invest in expanding our product line and capabilities to support long term growth. In Q4’18, we launched our [*Hero 2*](https://www.omnimetrix.net/wp-content/uploads/2018/12/Hero-2-Spec-Sheet1018.pdf) Rectifier Monitor for pipeline protection and debuted our new [***AIR***Guard](http://oak.omnimetrix.net/wp-content/uploads/2018/12/OmniMetrix_AirGuard_11_29_18.pdf) monitoring and control solution, expanding our sales reach into the industrial air compressor market.

“While we continue to seek complementary acquisition opportunities to expand our revenue base and better leverage our management and industry expertise, public company structure, and over $60 million in operating loss carryforwards, we’ve not yet identified an accretive transaction that would make sense for our shareholders. In the interim, we continue to build value in OmniMetrix, which is a very attractive asset given its recurring revenue streams, gross margin profile and substantial growth potential. We believe this business can continue to grow organically at 20% per year on average.”

**OmniMetrix Financial Results**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| ($ in thousands) | **Q4'18** | **Q4'17** | **Change** | **2018** | **2017** | **Change** |
| Monitoring revenue | $ 722 | $ 600 | 20% | $ 2,712 | $ 2,235 | 21% |
| Hardware revenue | $ 589 | $ 524 | 12% | $ 2,375 | $ 2,115 | 12% |
| **Total revenue** | **$ 1,311** | **$ 1,124** | **17%** | **$ 5,087** | **$ 4,350** | **17%** |
| Gross profit | $ 810 | $ 610 | 33% | $ 3,122 | $ 2,447 | 28% |
|  |  |  |  |  |  |  |

Driven by increased monitoring revenue as well as hardware unit sales, OmniMetrix’s fourth quarter 2018 revenue rose 17% to $1,311,000 from $1,124,000 in the fourth quarter of 2017. Monitoring growth reflects the continued increase in the number of end points being monitored, more than 90% of which renew annually.

For the full year 2018, revenue increased to $5,087,000, or 17%, over 2017 revenue of $4,350,000, reflecting growth in both monitoring and hardware revenue. Gross profit grew 28% to $3,122,000 in 2018, compared to gross profit of $2,447,000 in 2017, due to increases in both revenue and gross margin.

Improved 2018 results reflect the benefit of OmniMetrix’s product development efforts which have enhanced the capabilities and gross margins of certain power generation hardware monitoring solutions. As a result, hardware gross margin increased to 36% in 2018 from 27% in 2017. Gross margin on monitoring revenue was level at 84% in both 2018 and 2017.

OmniMetrix's fourth quarter 2018 operating expenses were relatively flat at $814,000 versus $815,000 in the fourth quarter of 2017.

OmniMetrix’s revenue and gross profit growth, combined with stable operating costs, brought its operating loss to near break-even (a $4,000 loss) in the fourth quarter of 2018 versus an operating loss of $205,000 in the fourth quarter of 2017. For the full year 2018, OmniMetrix substantially reduced its operating loss to $116,000 from $783,000 in 2017.

**Acorn Consolidated Financial Results**

Acorn’s corporate G&A costs decreased 31% to $230,000 in the fourth quarter of 2018 compared to $331,000 in the fourth quarter of 2017, reflecting an ongoing cost discipline which has achieved reductions in compensation, public company costs and other general and administrative expenses.

G&A reductions realized through maximizing operating efficiencies allowed Acorn to reduce its consolidated operating loss by more than half to $234,000 in the fourth quarter of 2018 compared to $536,000 in the fourth quarter of 2017. Acorn's 2018 consolidated operating loss was reduced by $535,000 or 28% to $1,376,000 in 2018 compared to $1,911,000 in 2017.

Net loss attributable to Acorn shareholders improved to $245,000, or $0.01 per share, in the fourth quarter of 2018 compared to $694,000, or $0.02 per share, in the fourth quarter of 2017.

Including a charge of $607,000, or $0.02 per share, related to the disposition of DSIT, Acorn reported a 2018 net loss attributable to shareholders of $2,001,000, or $0.07 per share. Reflecting the benefit of income from discontinued operations of $698,000, or $0.02 per share, Acorn’s 2017 net loss attributable to shareholders was $1,169,000, or $0.04 per share.

**Liquidity and Capital Resources**

As of December 31, 2018, Acorn had consolidated cash and cash equivalents of $973,000, excluding $290,000 of restricted cash held at a bank in Israel. OmniMetrix did not have any balance outstanding on its accounts receivable credit line. Management elected to allow its A/R credit line to expire in accordance with its terms in October 2018 and repaid the amount outstanding.

In March 2019, OmniMetrix negotiated a new A/R credit line at better rates with the same lending partner, which provides the company with access to accounts receivable formula-based financing of the lesser of 75% of eligible receivables or $1 million.

As of March 22, 2019, Acorn had consolidated cash and cash equivalents of $814,000, excluding $290,000 of restricted cash. OmniMetrix had $151,000 outstanding under its credit line and $269,000 available under the credit line.

**Conference Call Details**

**Date/Time:** Wednesday, March 27th at 11:00 am EDT

**Dial-in Number:** **1-844-834-0644** or 1-412-317-5190 (International)

**Online Replay/Transcript:** Audio file and call transcript will be posted to the

Investor section of Acorn's [website](http://acornenergy.com/calls-and-transcripts/) when available.

**Email Option for Q&A**: [acfn@catalyst-ir.com](mailto:acfn@catalyst-ir.com) – before or after the call.

**About Acorn (**[www.acornenergy.com](http://www.acornenergy.com)**)** and **OmniMetrix**™([www.omnimetrix.net](http://www.omnimetrix.net))

Acorn Energy, Inc. owns an 80% equity stake in OmniMetrix, Inc.,a pioneer and leader in machine-to-machine (M2M) and Internet of Things (IoT) wireless remote monitoring and control for gas pipelines and stand-by generators used in cell towers, medical facilities, data centers, public transportation systems and for other critical equipment, including at federal, state and municipal government facilities. OmniMetrix offers proven, cost-effective solutions for making critical systems more reliable with thousands of monitored assets and thousands of customers, including 24 in the Fortune 500 or Fortune Global 500.

**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 growing its business, reaching profitability, or maximizing the value of its operating company and other assets. A complete discussion of the risks and uncertainties that may affect Acorn Energy’s business, including the business of its subsidiary, 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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**ACORN ENERGY, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

**(IN THOUSANDS, EXCEPT PER SHARE DATA)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Three months ended December 31,** | | | | | |  |  | **Year ended**  **December 31,** | | | | | |  |
|  |  | **2018** | |  |  | **2017** | |  |  | **2018** | |  |  | **2017** | |  |
|  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |
| Revenue |  | $ | 1,311 |  |  | $ | 1,124 |  |  | $ | 5,087 |  |  | $ | 4,350 |  |
| Cost of sales |  |  | 501 |  |  |  | 514 |  |  |  | 1,965 |  |  |  | 1,903 |  |
| Gross profit |  |  | 810 |  |  |  | 610 |  |  |  | 3,122 |  |  |  | 2,447 |  |
| Operating expenses: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Research and development expenses, net |  |  | 143 |  |  |  | 128 |  |  |  | 542 |  |  |  | 518 |  |
| Selling, general and administrative expenses |  |  | 901 |  |  |  | 1,018 |  |  |  | 3,956 |  |  |  | 3,840 |  |
| Total operating expenses |  |  | 1,044 |  |  |  | 1,146 |  |  |  | 4,498 |  |  |  | 4,358 |  |
| Operating loss |  |  | (234 | ) |  |  | (536 | ) |  |  | (1,376 | ) |  |  | (1,911 | ) |
| Finance expense, net |  |  | (28 | ) |  |  | (92 | ) |  |  | (104 | ) |  |  | (231 | ) |
| Loss before income taxes |  |  | (262 | ) |  |  | (628 | ) |  |  | (1,480 | ) |  |  | (2,142 | ) |
| Income tax expense |  |  | ― |  |  |  | ― |  |  |  | ― |  |  |  | (41 | ) |
| Net loss after income taxes |  |  | (262 | ) |  |  | (628 | ) |  |  | (1,480 | ) |  |  | (2,183 | ) |
| Share of income in DSIT |  |  | ― |  |  |  | 192 |  |  |  | 33 |  |  |  | 450 |  |
| Impairment of investment in DSIT |  |  | ― |  |  |  | (308 | ) |  |  | (33 | ) |  |  | (308 | ) |
| Loss on sale of interest in DSIT, net of transaction costs and withholding taxes  transaction costs and withholding taxes |  |  | ― |  |  |  | ― |  |  |  | (607 | ) |  |  | ― |  |
| Loss before discontinued operations |  |  | (262 | ) |  |  | (744 | ) |  |  | (2,087 | ) |  |  | (2,041 | ) |
| Income from discontinued operations, net of income taxes |  |  | ― |  |  |  | ― |  |  |  | ― |  |  |  | 698 |  |
| Net loss |  |  | (262 | ) |  |  | (744 (744 | ) |  |  | (2,087 | ) |  |  | (1,343 | ) |
| Non-controlling interest share of loss - continuing operations |  |  | 17 |  |  |  | 50 |  |  |  | 86 |  |  |  | 174 |  |
| Net loss attributable to Acorn Energy, Inc. shareholders |  | $ | (245 | ) |  | $ | (694 | ) |  | $ | (2,001 | ) |  | $ | (1,169 | ) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic and diluted net loss per share attributable to Acorn Energy, Inc. shareholders: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| From continuing operations |  | $ | (0.01) |  |  | $ | (0.02 | ) |  | $ | (0.07 | ) |  | $ | (0.06 | ) |
| From discontinued operations |  |  | ― |  |  |  | ― |  |  |  | ― |  |  |  | 0.02 |  |
| Net loss per share attributable to Acorn Energy, Inc. shareholders |  | $ | (0.01) |  |  | $ | (0.02 | ) |  | $ | (0.07 | ) |  | $ | (0.04 | ) |
| Weighted average number of shares outstanding attributable to Acorn shareholders – basic and diluted |  |  | 29,556 |  |  |  | 29,500 |  |  |  | 29,540 |  |  |  | 29,423 |  |

**ACORN ENERGY, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **As of**  **December 31,** | | | | | |  |
|  |  | **2018** | |  |  | **2017** | |  |
| ASSETS |  |  |  |  |  |  |  |  |
| Current assets: |  |  |  |  |  |  |  |  |
| Cash and cash equivalents |  | $ | 973 |  |  | $ | 481 |  |
| Restricted cash |  |  | 290 |  |  |  | — |  |
| Accounts receivable, net |  |  | 665 |  |  |  | 1,103 |  |
| Inventory, net |  |  | 261 |  |  |  | 229 |  |
| Other current assets |  |  | 144 |  |  |  | 91 |  |
| Investment in DSIT |  |  | — |  |  |  | 5,800 |  |
| Deferred charges |  |  | 803 |  |  |  | 999 |  |
| Total current assets |  |  | 3,136 |  |  |  | 8,703 |  |
| Property and equipment, net |  |  | 73 |  |  |  | 139 |  |
| Other assets |  |  | 710 |  |  |  | 380 |  |
| Total assets |  | $ | 3,919 |  |  | $ | 9,222 |  |
|  |  |  |  |  |  |  |  |  |
| LIABILITIES AND (DEFICIT)/EQUITY |  |  |  |  |  |  |  |  |
| Current liabilities: |  |  |  |  |  |  |  |  |
| Short-term bank credit |  | $ | — |  |  | $ | 313 |  |
| Accounts payable |  |  | 246 |  |  |  | 489 |  |
| Accrued expenses |  |  | 430 |  |  |  | 466 |  |
| Deferred revenue |  |  | 2,734 |  |  |  | 2,753 |  |
| Due to Acorn directors (former directors as of August 6, 2018) |  |  | 250 |  |  |  | 1,690 |  |
| Due to DSIT |  |  | — |  |  |  | 1,624 |  |
| Other current liabilities |  |  | 127 |  |  |  | 185 |  |
| Total current liabilities |  |  | 3,787 |  |  |  | 7,520 |  |
| Long-term liabilities: |  |  |  |  |  |  |  |  |
| Deferred revenue |  |  | 1,327 |  |  |  | 811 |  |
| Other long-term liabilities |  |  | 2 |  |  |  | 139 |  |
| Due to Acorn director (former director as of August 6, 2018) |  |  | 33 |  |  |  | — |  |
| Total long-term liabilities |  |  | 1,362 |  |  |  | 950 |  |
| Commitments and contingencies |  |  |  |  |  |  |  |  |
| (Deficit)/Equity: |  |  |  |  |  |  |  |  |
| Acorn Energy, Inc. shareholders |  |  |  |  |  |  |  |  |
| Common stock - $0.01 par value per share: |  |  |  |  |  |  |  |  |
| Authorized – 42,000,000 shares; Issued – 30,357,706 and 30,302,271 shares at December 31, 2018 and 2017, respectively |  |  | 304 |  |  |  | 303 |  |
| Additional paid-in capital |  |  | 100,340 |  |  |  | 99,819 |  |
| Warrants |  |  | 1,118 |  |  |  | 1,600 |  |
| Accumulated deficit |  |  | (100,064 | ) |  |  | (98,215 | ) |
| Treasury stock, at cost – 801,920 shares at December 31, 2018 and 2017 |  |  | (3,036 | ) |  |  | (3,036 | ) |
| Total Acorn Energy, Inc. shareholders’ (deficit)/equity |  |  | (1,338 | ) |  |  | 471 |  |
| Non-controlling interests |  |  | 108 |  |  |  | 281 |  |
| Total (deficit)/equity |  |  | (1,230 | ) |  |  | 752 |  |
| Total liabilities and (deficit)/equity |  | $ | 3,919 |  |  | $ | 9,222 |  |