

January 7, 2019



Arotech Training and Simulation Division's FAAC Incorporated Receives Army Simulator Maintenance Subcontract Valued at Up to \$14M

ANN ARBOR, Mich., Jan. 07, 2019 (GLOBE NEWSWIRE) -- FAAC Incorporated, a unit of Arotech Corporation's [NasdaqGM: ARTX] Training and Simulation Division, announced that it has received a subcontract to support the Army Training Aids, Devices, Simulators and Simulations (TADSS) Maintenance Program (ATMP). The subcontract to ATMP prime contractor, Lockheed Martin Corporation Rotary and Mission Systems, is currently valued at up to \$14M over seven years. The first support period through June 2019 has been fully funded with six option periods to cover the remaining period of performance.

FAAC Incorporated will provide technical expertise and staff maintenance positions of various skill levels at Fort Leonard Wood, MO, Camp Shelby, MS, and Camp McCain, MS. On-site personnel will be tasked with supporting Army TADSS at those locations. In addition, as part of Lockheed Martin's core ATMP team, FAAC will have the opportunity to bid on supporting other simulator upgrade/improvement efforts above and beyond the scope of the current support subcontract.

ATMP, a program under the Program Executive Office for Simulation, Training and Instrumentation (PEO STRI), will provide worldwide maintenance support for TADSS, Digital Ranges, and Combat Training Center Instrumentation Systems.

"We appreciate being part of Lockheed Martin's ATMP team and look forward to providing outstanding support to the sites and systems we are responsible for," said Kurt Flosky, FAAC President. "We are excited to expand our on-site presence and leverage FAAC's decades of experience providing and supporting simulation solutions across all of the U.S. Armed Forces, and to contribute to ATMP's success."

About Arotech's Training and Simulation Division

Arotech's Training and Simulation Division (ATSD) provides world-class simulation based solutions. ATSD develops, manufactures, and markets advanced high-tech multimedia and interactive digital solutions for engineering, use-of-force, and operator training simulations for military, law enforcement, security, municipal and private industry personnel. The division's fully interactive operator training systems feature state-of-the-art vehicle simulator technology enabling training in situation awareness, risk analysis and decision-making, emergency reaction and avoidance procedures, conscientious equipment operation, and crew coordination. The division's use-of-force training products and services allow organizations to train their personnel in safe, productive, and realistic environments. The division supplies pilot decision-making support software for the F-15, F-16, F-18, F-22, and F-35 aircraft, simulation models for the ACMI/TACTS air combat training ranges, and Air-

Refueling Boom Arm simulators. The division also provides consulting and developmental support for engineering and research simulation solutions.

Arotech's Training and Simulation Division consists of FAAC Incorporated (www.faac.com), MILO Range Training Systems (www.milorange.com), and Realtime Technologies (www.simcreator.com).

About Arotech Corporation

Arotech Corporation is a defense and security company engaged in two business areas: interactive simulation and mobile power systems.

Arotech is incorporated in Delaware, with corporate offices in Ann Arbor, Michigan, and research, development and production subsidiaries in Michigan, South Carolina, and Israel. For more information on Arotech, please visit Arotech's website at www.arotech.com.

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Except for the historical information herein, the matters discussed in this news release include forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect management's current knowledge, assumptions, judgment and expectations regarding future performance or events. Although management believes that the expectations reflected in such statements are reasonable, readers are cautioned not to place undue reliance on these forward-looking statements, as they are subject to various risks and uncertainties that may cause actual results to vary materially. These risks and uncertainties include, but are not limited to, risks relating to: product and technology development; the uncertainty of the market for Arotech's products; changing economic conditions; delay, cancellation or non-renewal, in whole or in part, of contracts or of purchase orders (including as a result of budgetary cuts resulting from automatic sequestration under the Budget Control Act of 2011); and other risk factors detailed in Arotech's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and other filings with the Securities and Exchange Commission. Arotech assumes no obligation to update the information in this release. Reference to the Company's website above does not constitute incorporation of any of the information thereon into this press release.



Source: Arotech Corporation