

PRESS RELEASE



MB TECHNOLOGY HOLDINGS, LLC

MBTH Portfolio Company xG Technology Announces Binding Letter of Agreement to Acquire Integrated Microwave Technologies, LLC in \$3MM Asset Purchase

Combined Business will be Well-Positioned to Capture New Opportunities and Growth Resulting from the Firms' Operational and Technological Synergies

Sarasota, Florida—January 19, 2016— MB Technology Holdings, LLC (“MBTH”) portfolio company xG Technology, Inc., (Nasdaq: XGTI; XGTIW) (“xG”), the primary holding of MBTH, announced today that it has entered into a binding letter of agreement to acquire the assets of Mt. Olive, NJ-based Integrated Microwave Technologies, LLC (“IMT”) from Skyview Capital, LLC (“Skyview”). The \$3MM purchase price reflects a combination of cash and long-term debt. The purchase is expected to close by no later than Feb. 15, 2016.

IMT, which recorded annual revenues of \$7.2MM in 2015, is a leader in high-performance video transmission technology, and has 20 years of experience in the design and manufacture of state-of-the-art wireless digital and analog video products. IMT’s primary market focus is in the following sectors: broadcast (with clients including, but not limited to, the major broadcast television networks, and NFL, MLB and NHL professional sports teams); and MAG (military, aerospace and government), with clients ranging from local and national law enforcement agencies, Department of Defense agencies and surveillance firms.

Among the operating and technological synergies expected to result from the acquisition are the following:

- Complementary market focus; IMT has a core customer roster that includes federal, state, local government, public safety, and Department of Defense agencies. These markets have unmet broadband communications needs that can be solved by the xMax secure private mobile broadband solution.
- IMT also has a strong presence in event management communications, which is an area of focus for xG. To that end, xG announced [in September of last year](#) the availability of the rapidly-deployable xMax Transportable Broadband system, which enables instant, uninterrupted communications during events, disasters and other quickly changing operating environments.
- Closely-aligned product development roadmaps, with the potential for joint development of a point-to-multipoint product for video that would allow multiple cameras to share and receive information.
- xG gains the benefit of leveraging IMT’s ISO 9001:2008 QMS approach into its own quality processes.
- IMT has proven miniaturization technology, and is a world leader in the design of their transmitters. Their key enabling technology in this area is ultra-compact COFDM (Coded

Orthogonal Frequency Division Multiplexing), which will benefit greatly from xG's patented interference mitigation technology, which has been [proven in demanding Department of Defense test environments](#).

- Once the acquisition is finalized, the utilization of assets are expected to realize cost savings of up to \$2MM annually, due to efficiencies realizable from shared facilities, tools, processes, and especially product manufacturing, which IMT does in-house and xG currently outsources. The operations of both companies will continue to be housed in their respective locations.
- The acquisition of IMT's assets is not expected to increase xG's cash burn rate; and rather, should reduce it.

George Schmitt, CEO and Board Chairman of xG Technology, said, "The acquisition of IMT will help advance xG's business plan while opening up significant new opportunities for sales growth in xG products. We look forward to extending the benefits of our synergies and combined expertise to our customers. We are particularly keen to leverage IMT's strengths in onsite product hardware manufacturing and development, which will add efficiencies to xG's own operations."

Rick Mooers, Chairman and CEO of MBTH (and director and co-founder of xG Technology), was the primary architect and negotiator involved in the acquisition agreement. He said, "This acquisition allows xG to add a complementary sales base with some critical mass while also enhancing the xMax opportunity. While xG is making great strides into public safety, military and defense markets and healthcare, the government-centric markets typically have long lead times. IMT's existing relationships with clients in these markets will help xG mitigate the long sales cycles by enabling the cross-selling of each company's products and services."

John Payne IV, COO and CTO of IMT, said, "We are excited to embark on this new relationship with xG Technology. Their tradition of innovating and pushing the boundaries of advanced wireless communications make an excellent fit with our leadership in video transmission technology. We look forward to collaborating with xG on joint product and market development, and the integration and optimization of our respective technology foundations."

John Payne will become President of the new IMT Division of xG Technology, reporting directly to xG CEO, George Schmitt. He will also be a corporate officer of xG.

About xG Technology, Inc.

Founded in 2002, [xG Technology](#) has created a broad portfolio of intellectual property that makes wireless networks more intelligent, accessible, affordable and reliable. The company is the developer of [xMax, a patented all-IP cognitive radio network system](#) that enables secure, robust mobile broadband communications for private, consumer and government networks. xMax can solve [the crisis facing the wireless industry](#) caused by data-hungry devices and applications that are straining network capacity. It eliminates the need to acquire scarce and expensive licensed spectrum, thus lowering the total cost of ownership for wireless broadband access.

The xMax system delivers always-available voice, video and data services to both fixed and mobile users, and is interoperable with existing cellular and dedicated networks without being dependent on them. xMax incorporates advanced optimizing technologies that include spectrum sharing, [interference mitigation](#), multiple-input multiple-output (MIMO) and software defined radio (SDR). These and other technologies make xMax ideal for wide area, as well as rapid emergency communication deployment in

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unpredictable environments and during fluid situations. xG offers solutions for [numerous industries worldwide](#), including emergency response and public safety, military, telemedicine, urban and rural wireless broadband, utilities, and critical infrastructure.

Based in Sarasota, Florida, xG has over 100 patents and pending patent applications. xG is a publicly traded company listed on the NASDAQ Capital Market where xG common stock is traded under the symbol [XGTI](#) and xG warrants are traded under the symbol [XGTIW](#). For more information, please visit www.xgtechnology.com.

About Integrated Microwave Technologies, LLC

Integrated Microwave Technologies (IMT) is a leader in advanced digital microwave systems and a provider of engineering, integration, installation and commissioning services serving the Broadcast, Sports & Entertainment and MAG (Military, Aerospace & Government) markets. The company comprises the leading microwave brands Nucomm, RF Central and IMT, offering customers worldwide complete video solutions. Nucomm is a premium brand of digital broadcast microwave video systems. RF Central is an innovative brand of compact microwave video equipment for licensed and license-free sports and entertainment applications. IMT is a trusted provider of mission-critical wireless video solutions to state, local and federal police departments. More information can be found at www.imt-solutions.com.

ABOUT MB TECHNOLOGY HOLDINGS, LLC

MB Technology Holdings, LLC (MBTH) is a technology holding and service company established in 2010. Its mission is to pursue suitable acquisitions for its portfolio by identifying companies requiring assistance in their next phases of growth, both organically and via add-on acquisitions. MBTH strives to add immediate and measurable value to such firms by using proven methods that include everything from cash flow optimization techniques, realignment of cost structures, development of capital and liquidity strategies, and transitioning from a private to a public entity.

MBTH leverages the considerable experience that its executive team has amassed in creating the suitable financial structures (IPO's, follow-on offerings, private placements, other financial know-how) as well as the organizational frameworks (executive strategy and leadership, key C-level and technical staffing, supply chain development, etc.) that are critical yet often beyond the means and experience of private companies.

MBTH is able to offer the advantage of a global vision and perspective due to its international base of directors, close colleagues, investments and financial dealings. This gives MBTH a presence in, and access to, major centers including London, Stockholm, San Francisco, Zurich, San Jose and Reykjavik.

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