

PRESS RELEASE



MBTH Portfolio Company xG Technology Completes Purchase of Integrated Microwave Technologies, LLC

Strategic Accretive Acquisition Enables xG to Realize Immediate and Long-Term Financial, Operational and Technological Benefits

Sarasota, Florida—February 1, 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 completed its acquisition of assets of Integrated Microwave Technologies, LLC (“IMT”) originally [announced on Jan. 19, 2016](#). The acquisition was completed using debt financing from the seller and will require payoff over the next eighteen months.

The acquisition of the IMT assets is expected to deliver significant benefits to xG in a number of areas. By aligning its operations and technology platforms with those of IMT, xG will be able to expand more deeply into markets it is currently active in, while opening growth possibilities in new sectors. xG gains immediate access to the IMT product line, which opens new cross-selling opportunities to xG’s existing customer base, and enriches its competitive offerings. Likewise, IMT can now fill the demonstrated need among its own customers for the kind of secure, rapidly-deployable mobile broadband solution that xMax is uniquely suited to fill.

Finally, IMT’s manufacturing expertise is expected to drive additional operational, production and other cost efficiencies at xG. This and other aspects of the transaction will serve to yield compelling financial benefits to xG and prepare it realize even more growth.

George Schmitt, CEO and Board Chairman of xG Technology, said, “We welcome the IMT family to be part of xG Technology and are delighted with the synergies that we see between the two companies. We expect these synergies to result in substantial reductions in, and avoidance of, costs that will total approximately \$2MM per year. We would also like to thank Skyview Capital, the seller of IMT, for extending us this opportunity and for their assistance in helping ensure a timely closing of the acquisition.”

Roger Branton, CFO of xG Technology, said, “This acquisition is expected to be cash flow positive from day one and accretive to the combined companies. xG and IMT each have distinctive strengths that will be even more pronounced by integrating our operations. In addition to broadening our capabilities to execute more effectively, this acquisition will make xG well-positioned from a financial standpoint to embark on its next phase of growth.”

John Payne IV, newly-appointed President of the IMT Division of xG Technology, and a corporate officer of xG, said, “We at IMT are delighted to become a major part of xG Technology and look forward to working together to develop joint sales strategies and to take advantage of the synergies available to the combined entities.”

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 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.

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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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