



(In voluntary liquidation)

BackWeb Announces Final Liquidation Distribution

Tel Aviv, Israel, April 12, 2018 — BackWeb Technologies Ltd. (in voluntary liquidation) (the “Company” or “BackWeb”), provided an update today on its pending liquidation and its process for a final distribution of cash to shareholders.

BackWeb commenced a voluntary liquidation process on March 6, 2014. Mr. Yoav Kfir of VAR Business Management Ltd. (VAR) was appointed as liquidator, while assuming, per the Israeli law, the powers of the Company's Board of Directors.

Since then, the Company and the liquidator have dealt with various issues, some of which are listed below:

- **Distribution** - the Company distributed to its shareholders the sum of about \$9M in December, 2014 representing \$0.207 per share.
- **Financial Statements** – the Company filed financial statements and a tax adjustment statement with the Israel Tax Authority up to and including 2014.
- **Israel Tax Authority** - The Company underwent an income tax assessment audit by the Israel Tax Authority for the years 2011-2014. As a result, an assessment agreement was signed with the Israel Tax Authority whereby the Company's carried forward tax losses were written off and in return no tax was assessed for the relevant years. The Company's liquidator continues to be in contact with the tax authorities in order to close the file, and in this framework unaudited trial balance sheets were filed for 2015-2016. No further demands were received from the Israel Tax Authority .
- **Lawsuit**- Migdal Insurance Company filed a lawsuit against the Company. The liquidator negotiated and settled the lawsuit with a payment of NIS 32,000. A copy of this agreement can be found on the Company's website in the news section (March 7, 2017).
- **The Chief Scientist [OCS]** - The liquidator managed a long process in order to close the file with the Temura Fund of the Office of the Chief Scientist in the Israeli Ministry of Economy. The OCS claimed around \$150,000. Following communication with the OCS, the liquidator succeeded in obtaining a waiver of the mentioned sum, with a closing certificate to be delivered to the Company upon the OCS's receipt of the final Liquidation Report.

- **Information Database** – the Company terminated the registration of its information database with the Ministry of Justice, and arranged for cancellation of the registration fees.
- **Subsidiaries** - The Company's wholly-owned Delaware, USA subsidiary filed final reports with the applicable authorities. The subsidiary filed a Certificate of Dissolution in the State of Delaware and withdrawals from the various states in which the Company operated – California, New York, Texas and New Jersey.

The Company's liquidator continues to be in contact with the various governmental authorities in order to close the VAT file and the Company's income tax file at the Israel Tax Authority.

- **VAT File** - The liquidator is working to make final payments to the Company's service providers, while receiving the full benefit of a VAT refund on these payments before the VAT file is closed. Accordingly, the liquidator is working with the Company's service providers to agree on fixed fees for their final services, to be paid prior to completion of the liquidation process. For service providers who do not finalize their fee arrangements, an estimated fee will be transferred to the liquidator's account, and the liquidator will make all payments directly to the service providers on behalf of the Company.
- **Income Tax File** – Once the VAT file is closed, the liquidator will apply for the Company's income tax file to be permanently closed, without the need to file financial statements and a tax adjustment statement for periods from 2015 on.

As soon as the above remaining issues with the authorities are finalized, and assuming no unexpected issues arise, the liquidator will start the distribution process to the shareholders.

Backweb's Distribution Process:

Final distribution to the Company's shareholders is expected to take place starting September 2018. The Company currently has approximately 43.4 million outstanding shares, and expects to distribute in the final distribution an amount per share of approximately \$0.014. If the aggregate gross amount so calculated for all shares held by a shareholder would otherwise result in the shareholder being entitled to a fraction of a cent, before any applicable withholding tax and fees, the amount shall be rounded up to the next higher whole cent if the fraction is 0.5 or greater, and rounded down to the next lower whole cent if the fraction is less than 0.5. The approximate amount per share in the final distribution together with the past distribution of \$0.207 per share, the total distribution is expected to amount to \$0.22 per share.

A liquidation process involves some uncertainty and the actual amount of the final distribution may vary from these estimates due to unforeseen circumstances that may arise during the liquidation process.

In the final distribution, the liquidator will also distribute funds relating to the prior distribution to those shareholders that have not filed appropriate documentation for the prior distribution.

Backweb shares stopped trading on the OTC Markets Group (OTC Pink: BWEBF) on November 8, 2014. This date also serves as the "record date" for the determination of shareholders who will be eligible to receive their pro rata share of the final distribution. The Company expects to mail a package (the "Mailing") via Broadridge, by way of registered mail, return receipt requested, to all registered shareholders and brokers (foreign and Israeli TASE members).

The Mailing will include a Letter of Transmittal ("LOT") and Declaration Regarding Israeli Withholding Tax ("Tax Declaration"). [These documents will also be available on the Company's website, www.backwebtech.com.

Each shareholder, or a securities broker on behalf of a shareholder, must complete the required documents contained in the Mailing and submit those documents as well as relevant tax forms specified in the LOT (collectively, the "Package") to VAR. Each Shareholder must submit a Package to VAR in order to receive its pro rata share of liquidation proceeds in the final distribution. **The distribution will be based on shareholder records as of the record date.**

All shareholders must return the Package to VAR by **July 1, 2018**. VAR expects to process final distribution payments to all the shareholders on September 2018. Shareholders who do not return the package to VAR by July 1, 2018 will receive a check for the total amount owing them according to their pro rata share ownership, based on the Company's records as of the record date, with the maximum tax rate of 30% withheld from their proceeds, provided the Company has sufficient shareholder information to enable VAR to process a payment.

Shareholders are to specify payment instructions in the LOT as part of the Package. A shareholder who provides wire transfer information in the LOT will receive distribution proceeds payments via wire transfer directly to the shareholder's bank account. A shareholder who does not provide wire transfer information or provides different instructions in its LOT will receive distribution proceeds by check. Any payment that VAR attempts to make for shareholders who do not return a LOT will be made by check and mailed to the address that VAR has on file for each shareholder based on shareholder records as per the record date.

Withholding Tax Issues

Liquidating distributions may be subject to Israeli withholding tax, however there are certain types of shareholders who will be exempt from Israeli withholding tax. These shareholders include those who are not Israeli residents and acquired their Company shares on or after June 1999 (the date of the initial public offering of the Company) and who own less than 5% of the total shares

outstanding. Shareholders may determine their eligibility for exemption from Israeli withholding tax by reviewing the LOT. Shareholders may declare their eligibility for exemption in the Tax Declaration form included in the Mailing and to be returned with their Package. Please read the LOT for more details.

BackWeb will withhold the maximum amount for Israeli tax liability (30%) for shareholders who do not return a relevant Tax Declaration with their Package. In accordance with a tax ruling dated from June 24, 2013 from the Israeli Tax Authority ("ITA"), the Company has engaged a tax trustee, Altshuler Shaham Benefits (formerly Meitav Dash Trusts Ltd.), which has the full responsibility for processing withholding tax for the ITA and will thus determine and withhold the appropriate taxes for the ITA. All shareholders are urged to consult with a local tax consultant when preparing the Package and selecting the relevant tax forms for their respective tax authority. Again, shareholders are urged to read the LOT for more details.

About BackWeb:

BackWeb® Technologies Ltd. (in voluntary liquidation) (www.backwebtech.com) has suspended operations, divested its patents and is in a process of liquidation.

BackWeb's liquidator is Mr. Yoav Kfir, CPA, whose contact information is below.

Statements in this news release that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements of beliefs, plans, expectations or intentions regarding the future. Such forward-looking statements include, but are not limited to, comments concerning the timing of the liquidation process, the expected amount and timing of liquidating distributions, and other matters. Such statements reflect the Company's current estimate with respect to future events, therefore they are not promises or guaranties. BackWeb assumes no obligation to update any of the forward-looking statements in this release.

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