

On Track Innovations Ltd. Announces Agreement to Divest Non-Core Legacy MediSmart Division

Divestiture to Fortify OTI's Balance Sheet with \$2.75 Million in New Capital

ROSH PINA, ISRAEL, Dec. 6, 2018 /PRNewswire/ -- **On Track Innovations Ltd. (OTI)** (NASDAQ: OTIV), a global provider of near field communication (NFC) and cashless payment solutions, together with its South African subsidiary, OTI Petrosmart (PTY) Limited, have entered into an agreement to divest their non-core legacy division of **MediSmart** to a current customer, Smart Applications International Ltd. ("SMART"). Under the terms of the transaction, SMART will acquire MediSmart for total consideration of \$2.75 million in cash. The transaction is subject to customary conditions, and is expected to close in January 2019.

MediSmart is an information management and claims submission system for the medical sector. MediSmart is designed to benefit medical administrators, hospitals, clinics, medical service providers and patients. Through an integrated system, incorporating contactless smart card and biometric technologies, MediSmart offers fast and secure access to medical information, transaction generation, claims management, expenditure control and reporting.

"I am pleased to announce the sale of MediSmart to SMART, the sole user of the legacy product," said Shlomi Cohen, CEO of On Track Innovations. "The MediSmart business is a non-core, legacy business generating approximately \$1.5 million in annual revenues. This divestiture will further shore up our balance sheet, providing us with additional capital to advance our aggressive growth initiatives while allowing us to remain laser focused on continued operational execution across our core business units."

About OTI

On Track Innovations (OTI) is a global leader in the design, manufacture, and sale of secure cashless payment solutions using contactless NFC technology. OTI's field-proven innovations have been deployed around the world to address cashless payment and management requirements for the Internet of Payment Things (IoPT), wearables, automated retail, and petroleum markets. OTI distributes and supports its solutions through a global network of regional offices and alliances. OTI is the proud recipient of the 2017 AI Award for Best Cashless Payment Solutions Provider – Israel. For more information, visit www.otiglobal.com.

Safe Harbor / Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other Federal securities laws. Any statements that are not statements of historical fact should be considered forward looking statements. Whenever we use words such as "will," "look forward," "anticipate," "plan," "can" or similar expressions, we are making forward-looking statements. For example, we are using forward-looking statements when we discuss, among other things, the timing of the closing of the divestiture of our MediSmart division, our aggressive growth initiatives, our expectation of shoring up our balance sheet and our future operational execution. Forward-looking statements are made as of the date of this document and are inherently subject to risks and uncertainties which could cause actual results to differ materially from those in the forward-looking statements, including the fulfillment of conditions for the MediSmart sale to close. Additional factors that could cause actual results to differ materially from those anticipated by our forward-looking statements are stated under the captions "Risk Factors" in our most recent Annual Report (Form 10-K) and other known and unknown uncertainties and risk factors including those detailed from time to time in the Company's filings with the Securities and Exchange Commission. Forward-looking statements are made as of the date of this release, and we expressly disclaim

any obligation or undertaking to update forward-looking statements. The reader is cautioned not to place undue reliance on forward-looking statements.

Investor Relations Contact:

Greg Falesnik

MZ North America

+1-949-385-6449

Greg.Falesnik@mzgroup.us

SOURCE On Track Innovations Ltd. (OTI)

Additional assets available online:  [Photos \(1\)](#)

<https://investors.otiglobal.com/2018-12-06-On-Track-Innovations-Ltd-Announces-Agreement-to-Divest-Non-Core-Legacy-MediSmart-Division>