

FOR IMMEDIATE RELEASE

Edgewater Wireless Reports Second Quarter 2019 Results and Issues Update to Shareholders

December 19, 2018 – Ottawa, Canada – Edgewater Wireless Systems Inc. ([YFI: TSX.V](#)) ([OTCQB: KPIFF](#)), the industry leader in innovative WiFi Multi-Channel Single Radio (“MCSR”) technology for residential and commercial markets, today released operating results for the quarter ended October 31, 2018.

Key highlights from the three months ended October 31, 2018 include:

- Commenced production and shipment aligned to customers(s) deployment requirements;
- Continue to develop and implement applications designed to drive adoption of our silicon solutions in concert with industry leading, global players such as Comcast and Nokia;
- Q2 2019 revenues of \$127,900 which marked sequential quarter on quarter growth of 64.6% and growth over the same quarter a year earlier of 484%;
- Gross margin of 25.9% was a significant increase from the 9.1% achieved in the quarter ending October 31, 2017;
- Order backlog of \$948,475.

Full financial results posted on SEDAR.

Q2 2019 Results and Accomplishments

The second quarter saw a series of activities that marked significant progress in the Company’s development. We have grown our enterprise business to include Mediacom alongside The Kroger Co. and others, and are now seeing repeat business from existing customers for both network upgrades and additional equipment.

In addition to our work with Mediacom, we have deepened our relationships in the cable industry, on both the enterprise and residential sides, through working our participation in a Wireless Broadband Association (“WBA”) working group that also included Comcast, Nokia, Global Reach and BSG Wireless. At the WBA’s Wireless Global Congress in October, the group demonstrated a handoff from a mobile network to a WiFi network seamlessly and securely without user intervention. With worldwide deployment of 5G accelerating over the next 2-3 years, we are working alongside the giants and disruptors of the industry, who are developing applications on Edgewater’s chipsets.

“WiFi is being positioned as the foundation of 5G services,” said Andrew Skafel, President and CEO of Edgewater Wireless. “With our MCSR technology, Edgewater Wireless is in a prime position to take full advantage of the opportunity presented by a staggering 110 million

residential broadband connections in the US alone – each connection representing at least one access point.”

Also in October, we announced the latest enhancements to our aera™ Fluid MX controller, which provides WiFi network operators the ability to manage and control hundreds or even thousands of MCSR-powered access points. This is an important feature for potential chipset customers, and it will help drive adoption of our chipsets in access points for the home and business markets. Secondly, this product enhances our aera™ product line by delivering industry-leading features and functionality.

Gross Margins for the second quarter of 2019 were 25.9%, a significant increase over the 9.1% achieved in the quarter ending October 31, 2017.

Revenues for the reporting period were \$127,900, which marked which marked sequential quarter on quarter growth of 64.6% and growth over the same quarter a year earlier of 484%.

In September, the Company completed a \$1.85 million private placement financing. This additional financing amounted to dilution of 7.87%. The proceeds from this financing enabled us to begin scaling manufacturing and production capabilities, focused our engineering and product development and provided working capital and operating expenses. The round also saw us expand our shareholder base to include a number of technology funds and sophisticated technology-focused investors.

Said Skafel, “We consider this year to be the one Edgewater has evolved to become a more sophisticated and effective operation. We have engaged a well-known broadband industry consultant to help refine and clarify our communications to the industry and the market, and we are continuing our focus on building a world-class organization.”

The company will hold an Investor Update broadcast today at 4:00 PM EST.

Please click the link below to join the webinar:

<https://zoom.us/j/819966493>

We make WiFi. Better.

Edgewater Wireless (www.edgewaterwireless.com) is the industry leader in innovative WiFi technology for residential and commercial markets. We deliver advanced silicon solutions designed to meet the high-density and high quality-of-service needs of service providers and their customers. With 24+ patents, Edgewater’s Multi-Channel, Single Radio (“MCSR”) technology revolutionizes WiFi with its aera™ access point product line, delivering next-generation WiFi today.

The best solution for High-Density WiFi networks, Edgewater provides reference designs for easy OEM integration, enabling service providers to plan, build and deploy reliable, high-capacity services to meet data demand in any environment, while fewer access points means lower deployment costs.

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About Edgewater Wireless Systems Inc.:

Edgewater Wireless develops and commercializes leading edge technologies and intellectual property for the communications market. Edgewater Wireless delivers advanced product solutions designed to meet the high-density, high quality of service (QoS) and high-reliability needs of service providers and their customers. Leveraging over twenty-four (24) patents, Edgewater's WiFi3™ is redefining WiFi technology with its wide-band, multi-channel radio and high-capacity Access Point solutions, and delivering next generation WiFi, today.

The best solution for High-Density WiFi networks, Edgewater Wireless WiFi3 powered access point products enable innovative service providers to plan, build and deploy reliable, high-capacity services (like VoWiFi) for high-density wireless data demand in any environment.

Do more with less! Fewer access points delivering high quality service at a lower overall deployment cost make our patented WiFi3™ technology the right choice for your next WiFi network.

Explore the evolution of Wi-Fi at www.EdgewaterWireless.com and www.aera.io/

Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. Although Edgewater Wireless believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Edgewater Wireless can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause Edgewater Wireless' actual results and experience to differ materially from the anticipated results or expectations expressed. These risks and uncertainties, include, but are not limited to access to capital markets, market forces, competition from new and existing companies and regulatory conditions. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed in this news release or otherwise, and to not use future-oriented information or financial outlooks for anything other than their intended purpose. Edgewater Wireless undertakes no obligation to update publicly or revise any forward looking information, whether as a result of new information, future events or otherwise, except as required by law.

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