

Update on Advanced Merger

On April 17, 2019, Modsys International Ltd. (the “Company”) announced it entered into an agreement and plan of merger dated April 3, 2019 (the “Merger Agreement”), by and among, the Company, Transoft Group Limited (“Parent”), a company organized under the laws of England and Wales and a wholly owned subsidiary of Advanced Computer Software Group Limited, and an Israeli merger subsidiary of Parent (“Merger Sub”), whereby Merger Sub will merge with and into the Company (the “Merger”).

The expected cash consideration to be received by the shareholders in the Merger is expected to be \$0.99 per Ordinary Share and \$3.00 per Preference Share. The closing of the Merger is subject to the satisfaction or waiver of customary closing conditions, including the requirement of fifty days having elapsed after the filing of the Israeli Merger proposal with the Companies Registrar and thirty days having elapsed after the approval of the Merger by the shareholders of the Company.

Additional information regarding the terms of the Merger will be included in a proxy statement to be filed on the Company's website and on the OTC Markets website on or about April 18, 2019.