

**Dissemination of a Regulatory Announcement that contains inside information according to
REGULATION (EU) No 596/2014 (MAR)**

14 March 2018

**MTI Wireless Edge Ltd
("MTI" or the "Company")**

Merger discussions with majority shareholder

MTI Wireless Edge Ltd (AIM: MWE), a market leader in the manufacture of flat panel antennas for fixed wireless broadband and a wireless irrigation solutions provider, announces that it is in preliminary discussions with its majority shareholder, MTI Computers & Software Services (1982) Ltd ("MTIC"), regarding a potential merger between the two companies (the "Proposed Transaction"). MTIC, whose shares are listed on the Tel Aviv Stock Exchange, currently holds 52.2% of the Company's issued ordinary shares.

The Proposed Transaction is still being discussed and would be subject to various regulatory and corporate approvals, but if successful would see MTIC (including its business and assets) merged into the Company, following which MTIC would cease to exist. The Company would remain as the surviving entity and its ordinary shares would continue to be traded on AIM, a market operated by the London Stock Exchange plc ("AIM"). As consideration for the merger, the current shareholders of MTIC would receive new ordinary shares in the Company (the "Consideration Shares"). The number of Consideration Shares to be issued to the shareholders of MTIC would be calculated based on independent third-party valuations of the Company and MTIC, which have yet to be carried out¹.

The key benefits the Proposed Transaction are expected to include:

1. Creating a larger company – the merged company will have revenues which are approximately 30% above the Company's current revenues.
2. Broadened business base – the merged company would still be focused on Radio Frequency and Microwave solutions but would add two divisions that would diversify the business (being Representation Radio Frequency and Microwave solutions in Israel and Russia and System Engineering).
3. Alignment of shareholder interests and the elimination of potential conflicts of interest.
4. Costs savings and efficiency – the merged company would have its shares traded on one stock exchange and this would save significant costs and allow management to spend more time on developing the combined business.
5. Increased liquidity – at the end of the merger process it is expected that non-controlling shareholders would hold an increased proportion of the Company's ordinary shares with more diversified holdings, thus assisting liquidity.

The Proposed Transaction would be subject to various regulatory and corporate approvals, including:

¹ It should be mentioned that the audit committees of MTIC and the Company appointed external independent valuator in order to prepare appropriate valuations.

- MTIC and the Company will need to receive a “pre-ruling” from the Israel Securities Authority (the “ISA”) according to which the Company, as the surviving entity, would continue to be traded only on AIM, and subject only to the AIM Rules for Companies and will not have to publish a prospectus in Israel regarding the Proposed Transaction and will not be subject to Israeli Securities law, 1968 (the “Securities law”) and regulations as a result and after the Proposed Transaction;
It should be noted that MTIC and the Company submitted a request for a pre-ruling to the ISA and the response of ISA to the pre-ruling request will be attached to the documents submitted to the Israeli court in connection with the scheme of arrangement (see bullet point below), as the ISA’s position to the court in connection with the Proposed Transaction and as required under the Securities Law;
- the approval of the Israeli court will be required as the Proposed Transaction will be carried out via a scheme of arrangement in accordance with Sections 350-351 of the Israeli Companies Law;
- the approval of the shareholders of both the Company and MTIC will be required and these approvals will need to satisfy the special voting requirements set out under Sections 275 and 350 of the Companies Law due to it being: i) a transaction with a controlling shareholder of the Company; ii) a transaction with possible benefits for controlling shareholders of MTI; and iii) a merger under a court order in accordance with Sections 350-351 of the Companies Law; and
- MTIC and the Company will require a “pre-ruling” from the Israeli Tax Authority with respect to the tax treatment of both companies and their shareholders in connection with and as a result of the Proposed Transaction.

The board of the Company believes that the Proposed Transaction, as outlined herein, would also constitute both a substantial transaction and a related party transaction under Rules 12 and 13 of the AIM Rules for Companies.

It should be noted that the Proposed Transaction is still being discussed and there is no certainty that it will proceed, be approved or be consummated. If the Company and/or MTIC do not approve the Proposed Transaction, or if any of the approvals or “pre-rulings” listed above are not received, then the Proposed Transaction (according to the suggested framework) will not proceed.

The Company will provide a further notification in due course regarding the progress of the discussions and in the event the Proposed Transaction moves ahead will issue a circular to shareholders setting out details of the Proposed Transaction, which will include notice of the shareholders meeting required to approve the Proposed Transaction in accordance with Israeli law.

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About MTI Wireless Edge

MTI is engaged in the development, production and marketing of high quality, low cost, flat panel antennas for commercial and for military applications. Commercial applications include: WiMAX; wireless networking; RFID readers; and broadband wireless access. With over 40 years' experience MTI supplies 100KHz to 90GHz antennas (including directional antennas and omni directional) for outdoor and indoor deployments, including smart antennas for WiMAX, Wi-Fi, public safety, RFID and base stations and terminals for the utility market. Military applications includes a wide range of broadband, tactical and specialized communications antennas, antenna systems and DF arrays installed on numerous airborne, ground and naval, including submarine, platforms worldwide.

Via its subsidiary, Mottech Water Solutions Ltd ("Mottech"), MTI is also a leading provider of remote control solutions for water and irrigation applications based on Motorola IRRInet state of the art control, monitoring and communication technologies. Mottech, headquartered in Israel, is the global prime distributor of Motorola for the IRRInet remote control solutions serving its customers worldwide through its subsidiaries and a global network of local distributors and representatives. It utilizes over 25 years of experience in providing its customers with remote control and management systems which ensure constant, reliable and accurate water usage, while reducing operational costs and maintenance costly expenses. Mottech activities are focused in the market segments of agriculture, water distribution, municipal and commercial landscape and wastewater and storm water reuse.

About MTIC

In addition to its 52.2% interest in MTI, MTIC also owns and operates a number of business that offer: (i) aerostat solutions; and (ii) radio frequency and microwave solutions. MTIC's audited results for the year ended 31 December 2017 recorded revenues of US\$34.65 million and a profit before income tax of US\$2.45 million. The audited total assets of MTIC as at 31 December 2017 were US\$29.5 million. The financial statements of MTI are consolidated within the MTIC financial information stated above.

Further information on MTIC can be found via the following website address: <http://www.mti-group.co.il/>