

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

8 May 2018

MTI Wireless Edge Ltd

("MTI" or the "Company")

Satisfaction of some of the conditions precedent for the Merger with Majority Shareholder

Further to the Company's announcement on 2 May 2018, 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 the satisfaction of some of the conditions precedent for the proposed merger between the Company and MTI Computers & Software Services (1982) Ltd (the "**Merger**" and "**MTIC**" respectively).

The following conditions precedent have been satisfied:

- (1) The approvals for the Merger from the financial creditors of MTI and MTIC, so that the Merger will not constitute a breach of MTI's and MTIC's undertakings to such financial creditors, have been obtained.
- (2) MTI and MTIC have received a pre-ruling from the Israel Securities Authority (the "**ISA**"), pursuant to which the ISA has agreed that it will not make a determination as to whether the Company will be required to publish a prospectus in Israel for the purpose of carrying out the Merger and consequently, the ISA has also agreed that it will not make a determination as to whether the Company will become subject to the Ongoing Reporting Obligations under the Israeli Securities Law, 5728-1968 following the Merger (the "**ISA's Position**" and the "**Securities Law**" respectively).

As a result of the ISA's Position, which will be presented to the court as part of the scheme of arrangement, following the Merger the Company's shares will continue to be traded on the AIM market of the London Stock Exchange ("**AIM**") only and will not become subject to the Ongoing Reporting Obligations under the Securities Law. The Company will not be required to publish a prospectus in Israel in connection with the Merger and following the Merger the Company will not become a reporting corporation, as defined in the Securities Law.

Additional details regarding the Merger and its implications on MTI and MTIC and their respective shareholders will be provided in due course in the Company's future announcements and in the circular to be sent to shareholders in connection with approval of the Merger.

Details regarding the basis of the ISA's position.

The ISA's Position was given on the basis of the factual background reflecting the terms of the merger agreement and an outline of the disclosure that MTI and MTIC intend to make to the court and to their shareholders as part of the scheme of arrangement, including:

- disclosure regarding MTI's operations following the Merger and regarding the Merger and its implications, according to the requirements of the scheme of arrangement, and information concerning MTI's operations following the Merger by reference to MTIC's announcements;
- disclosure of the terms of the Merger as required under the AIM Rules for companies;
- disclosure regarding the shares offered by MTI to the shareholders of MTIC, including the structure of holdings in MTI after the Merger, in accordance with the disclosure

format for securities offered under the Israeli Securities Regulations (Details of Prospectus and Draft Prospectus - Structure and Form), 5729-1969;

- the valuation that served as the basis for determining the conversion ratio between the shares in MTIC held by its shareholders and the shares in MTI to be received by the MTIC's shareholders as part of the Merger;
- a comparison of the securities laws and regulations and the corporate governance rules applicable to the Company and those applicable to MTIC;
- a pre-ruling from the Israeli tax authorities regarding the implications of the Merger and a comparison of the tax liabilities of MTI's shareholders to those of MTIC's shareholders;
- disclosure concerning the effect of the Merger on the consolidated financial statements of the merged activity within the framework of the Company, compared to the consolidated financial statements of such combined activity in MTIC;
- existing and expected restrictions, if any, that will apply to the Company as a result of the Merger; and
- disclosure regarding the approvals and conditions required in connection with the Merger.

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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.