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MTI Wireless Edge Limited
14 February 2022

This announcement contains Inside Information for the purposes of Article 7 of EU Regulation 596/2014 (which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018). Upon the publication of this announcement this Inside Information is now considered to be within the public domain.

14 February 2022

MTI Wireless Edge Ltd

("MTI" or the "Group")

Trading update

MTI Wireless Edge Ltd (AIM: MWE), the technology group focused on comprehensive communication and radio frequency solutions across multiple sectors, announces a positive trading performance for the financial year ended 31 December 2021, with increased sales and strong cash generation. As a consequence of the strength of the Israeli Shekel versus the US Dollar in 2021, the MTI board expects to report marginally lower than anticipated net profit for the year, but expects to pay a dividend in line with market expectations. In addition, the Group is not changing its guidance for the current financial year.

Unaudited 2021 Group revenues are expected to be in line with current market expectations at approximately US$43.2 million, an increase of 6% compared to the 2020 financial year. Unaudited Group gross profit is also expected to be in line with current market expectations at approximately US$13.5 million, which represents a 3% increase when compared to 2020.

Unaudited Group cash flow from operations for the 2021 financial year is expected to be significantly ahead of current market expectations at approximately US$6.5 million, representing an increase of 64% when compared to 2020. This results in an excellent unaudited 2021 year-end net cash balance of approximately US$12.5 million.

Significant foreign currency fluctuations during 2021, in particular, the strength of the Israeli Shekel versus the US Dollar led to higher staff costs across all of the Group's Israeli-based operational activities. Consequently, unaudited Group operating profit is expected to increase by approximately 9% compared to 2020, and fall marginally below current market expectations.

Unaudited Group profit before tax for 2021 is expected to be below current market expectations, although broadly in line with 2020 levels, which has primarily been caused by higher finance costs, mostly non-cash expenses. The increase is a result of foreign currency fluctuations affecting translation into US Dollars (the Company's reporting currency). Unaudited Group net

profit for 2021 is expected to increase by approximately 6% compared to 2020 as a result of a lower Group tax rate in 2021.

The Board anticipates that the Company will pay a final dividend for the year in line with current market expectations. The Board's expectations regarding trading for the financial year ending 31 December 2022 remain unaltered.

Moni Borovitz, CEO of MTI, said, "Our profitability has been skewed mainly by currency changes, but in cash terms we have performed well. Our orderbook and pipeline of opportunities are currently meeting our internal plans for 2022 and since the start of 2022 the US Dollar has strengthened against the Shekel and is currently above our internal budget rate. We consider that we are well placed to continue to grow in 2022."

MTI expects to announce its financial results for the year ended 31 December 2021 on Monday, 7 March 2022.

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About MTI Wireless Edge Ltd. ("MTI")

Headquartered in Israel, MTI is a technology group focused on comprehensive communication and radio frequency solutions across multiple sectors through three core divisions:

Antenna Division

MTI is a world leader in the design, development and production of high quality, state-of-the-art, and cost-effective antenna solutions including Smart Antennas, MIMO Antennas and Dual Polarity Antennas for wireless applications. MTI supplies antennas for both military and commercial markets from 100 KHz to 90 GHz.

Internationally recognized as a producer of commercial off-the-Shelf and custom-developed antenna solutions in a broad frequency range, MTI addresses both commercial and military applications.

MTI supplies directional and omnidirectional antennas for outdoor and indoor deployments, including smart antennas for WiMAX, Broadband access, public safety, RFID, base stations and terminals for the utility market.

Military applications include a wide range of broadband, tactical and specialized communication antennas, antenna systems and DF arrays installed on numerous airborne, ground and naval, including submarine, platforms worldwide.

Water Control & Management Division

Via its subsidiary, Mottech Water Solutions Ltd ("Mottech"), MTI provides high-end remote control solutions for water and irrigation applications based on Motorola's IRRInet state-of-the-art control, monitoring and communication technologies.

As Motorola's global prime-distributor Mottech serves its customers worldwide through its international subsidiaries and a global network of local distributors and representatives. With over 25 years of experience in providing customers with irrigation remote control and management, Mottech's solutions ensure constant, reliable and accurate water usage, while reducing operational and maintenance costs. Mottech's activities are focused in the market segments of agriculture, water distribution, municipal and commercial landscape as well as wastewater and storm-water reuse.

Distribution & Professional Consulting Services Division

Via its subsidiary, MTI Summit Electronics Ltd., MTI offers consulting, representation and marketing services to foreign companies in the field of RF and Microwave solutions and applications including engineering services (including design and integration) in the field of aerostat systems and the ongoing operation of Platform subsystems, SIGINT, RADAR, communication and observation systems which is performed by the Company.

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