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MTI Wireless Edge Limited
17 May 2023

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MTI Wireless Edge Ltd
("MTI", the "Company" or the "Group")

Q1 2023 Financial Results

MTI Wireless Edge Ltd (AIM: MWE), the technology group focused on comprehensive communication and radio frequency solutions across multiple sectors, is pleased to announce its financial results for the three-month period ended 31 March 2023.

Financial highlights

- Generated increased revenues of $11.3m, up 1% (Q1 2022: $11.2m) representing a solid start to the year
- Strong order pipeline, providing confidence in the outlook for the year
- Profit before tax up 15% to $1.1m (Q1 2022: $0.97m), reflecting an improvement in gross margin and higher interest received from cash on deposit
- Net profit increased by 9% to $.088m (Q1 2022: $0.81m)
- Earnings per share increased by 14% to 1.01 US cents (Q1 2022: 0.89 US cents)
- Strong financial position maintained with net cash standing at $8.5m on 31 March 2023 (31 March 2022: $6.5m) - the annual dividend of $2.5m was paid in April 2023, in the prior year the annual dividend was paid in March 2022

Operational highlights

Antennas

- A one stop shop for the sale of 'off the shelf' flat and parabolic antennas, combined with the provision of custom-developed antenna solutions to a range of commercial and military customers. Growing focus on providing 5G backhaul antenna solutions to support mobile phone operators as they roll-out their 5G networks.
- In Q1 2023, the division's overall trading continued positively with good demand for products, in particular orders for military antennas resulting from interest that has been building in 2022. The pipeline for future military orders remains good.
- Contact with Tier 1 corporations continues to deepen on the back of significant interest from these sector leaders in the Company's 5G automatic beam steering ("ABS") antenna solution, as well as the Company's Indian manufacturing facility.
- Expanding customer relationships across the telecoms sector are expected to feed through into demand for the Company's 5G backhaul solution, and while Q1 has been relatively quiet for 5G

sales, the potential is clearly growing.

- Overall antenna revenue and profit grew in Q1 2023 compared to Q1 2022.

Water Control & Management

- Operates under the Mottech brand and provides wireless control systems to manage irrigation and water distribution for agriculture, municipal authorities and commercial entities.
- Our solutions reduce water and power usage, whilst providing customers with higher revenue from accurate irrigation, leading to more and better quality crops and plants being grown.
- Q1 2023 was a strong period with revenues and profit increasing against Q1 2022, with nearly every market performing well.
- As the year progresses, the division will benefit from the price increases successfully agreed during 2022, and this will feed through into improving gross margin.
- Future demand for Mottech's services is growing and the division has recently agreed two long-term contract wins for five years with a large Israeli municipality worth $2.2m.

Distribution & Professional Consulting Services

- Operates under the MTI Summit Electronics brand and represents approximately 40 international suppliers of radio frequency/microwave components and sells these products to Israeli customers.
- Expert knowledge of both the international suppliers and customers further enables MTI to act as a consultant to assist with devising complete radio frequency/microwave solutions.
- Q1 2023 was a relatively quiet period for this division. The defence market is in a growth phase and the design wins secured, especially for military solutions, support a positive outlook for 2023.
- The acquisition of PSK last year has been very successful and firmly further underpins prospects for this division, with significant contracts in the pipeline.

Moni Borovitz, Chief Executive Officer of MTI Wireless Edge, said:

"This represents a solid start to 2023, off the back of a successful period in 2022. There is clear ongoing demand for our comprehensive communication and radio frequency solutions across all three divisions and we feel confident in the outlook for the year.

"Revenues were up 1%, alongside recording double digit growth in PBT and EPS of 15% and 14% respectively. Rising interest rates fed through into increased financial income and positive FX rates also helped the increase in profit margin. The overall financial position of the Group remains strong with net cash available of $8.5 million and we remain ungeared, providing good flexibility to support or expand the business.

"While there remain multiple economic and geo-political challenges across the globe, the fundamentals of our business remain strong. We sell our market leading expertise in radio frequency communications across three divisions, all of which address sizeable and growing markets. Water scarcity is a reality, with a recent report from the Global Commission on the Economics of Water predicting a 40% shortfall in freshwater supply by 2030, putting Governments and businesses under pressure to find workable solutions, such as those provided by Mottech. 5G is inevitable and our position in this market has been significantly boosted by our ABS antenna solution which has initiated new relationships with several key Tier 1 & 2 mobile radio manufacturers. Defence, for obvious reasons, has become an increased priority for nearly all leading nations, this is being clearly reflected in current orders and the opportunities we see.

"Looking ahead, we believe that the Company's clear focus on providing radio frequency solutions, coupled to being diversified across several markets, positions us well to continue to grow and expand through a mix of acquisition led and organic growth."

For further information please contact:

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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 174 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 5G backhaul, Broadband access, public safety, RFID, base station 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 and monitoring 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, increase crops quality and yield while reducing operational and maintenance costs providing fast ROI while helping sustain the environment. 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. It also specializes in the development, manufacture and integration of communication systems and advanced monitoring and control systems for the Government and defence industry market.

MTI WIRELESS EDGE LTD.
(An Israeli Corporation)

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three month period ended March 31,		Year ended December 31,
	2023	**2022**	**2022**
	U.S. $ in thousands (Except per share data)		
	Unaudited		
Revenues	11,285	11,176	46,270
Cost of sales	7,666	7,685	31,680
Gross profit	3,619	3,491	14,590
Research and development expenses	293	272	1,077
Distribution expenses	947	884	3,924
General and administrative expenses	1,324	1,297	4,998
Loss (profit) from sale of property, plant and equipment	(10)	9	1
Profit from operations	1,065	1,029	4,592
Finance expenses	105	78	385
Finance income	(155)	(23)	(110)
Profit before income tax	1,115	974	4,317
Tax expenses	233	164	468
Profit	882	810	3,849
Other comprehensive income (loss) net of tax:			
Items that will not be reclassified to profit or loss:			
Re-measurement of defined benefit plans	-	-	127
Items that may be reclassified to profit or loss:			
Adjustment arising from translation of	(98)	24	(422)

financial statements of foreign operations			
Total other comprehensive income (loss)	(98)	24	(295)
Total comprehensive income	784	834	3,554
Profit attributable to:			
Owners of the parent	894	786	3,721
Non-controlling interests	(12)	24	128
	882	810	3,849
Total comprehensive income attributable to:			
Owners of the parent	796	810	3,426
Non-controlling interests	(12)	24	128
	784	834	3,554
Earnings per share (dollars)			
Basic and Diluted (dollars per share)	0.0101	0.0089	0.0421
Weighted average number of shares outstanding			
Basic and Diluted (dollars per share)	88,510,072	88,501,084	88,444,356

The accompanying notes form an integral part of the financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three month period ended March 31, 2023 (Unaudited):

	Attributable to owners of the parent				
	Share capital	**Additional paid-in capital**	**Translation differences**	**Retained earnings**	**Total attributal to owners the pare**
			U.S. $ in thousands		
Balance at January 1, 2023	209	23,078	(250)	3,775	26,812
Changes during the three month period ended March 31, 2023:					
Comprehensive income					
Profit for the period	-	-	-	894	894
Other comprehensive income					
Translation differences	-	-	(98)	-	(98)
Total comprehensive income for the period	-	-	(98)	894	796
Acquisition and disposal of treasury shares	-	80	-	-	80
Dividend	-	-	-	-	-
Balance at March 31, 2023	209	23,158	(348)	4,669	27,688

The accompanying notes form an integral part of the financial statements.

INTERIM CONSOLIDATED STATEMENTS OF
CHANGES IN EQUITY (CONT.)

For the three month period ended March 31, 2022 (Unaudited):

	Attributable to owners of the parent				
	Share capital	Additional paid-in capital	Translation differences	Retained earnings	Total attributal to owners the pare
				U.S. $ in thousands	
Balance at January 1, 2022	209	23,126	172	2,406	25,913
Changes during the three month period ended March 31, 2022:					
Comprehensive income					
Profit for the period	-	-	-	786	786
Other comprehensive income					
Translation differences	-	-	24	-	24
Total comprehensive income for the period	-	-	24	786	810
Acquisition and disposal of treasury shares	-	41	-	-	41
Dividend	-	-	-	(2,479)	(2,479)
Balance at March 31, 2022	209	23,167	196	713	24,285

The accompanying notes form an integral part of the financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT.)

For the year ended December 31, 2022 :

	Attributable to owners of the pa			
	Share capital	Additional paid-in capital	Translation differences	Retaine earnin
				U.S. $ in thc
Balance as at January 1, 2022	209	23,126	172	2,406
Changes during 2022:				
Comprehensive income				
Profit for the year	-	-	-	3,721
Other comprehensive income				
Re measurements on defined benefit plans	-	-	-	127
Translation differences	-	-	(422)	-
Total comprehensive income (loss) for the year	**-**	**-**	(422)	3,848
Dividend	**-**	-	-	(2,479)
Acquisition and disposal of treasury shares (note 26)	-	(48)	-	-
Balance as at December 31, 2022	209	23,078	(250)	3,775

The accompanying notes form an integral part of the financial statements.

MTI WIRELESS EDGE LTD.
(An Israeli Corporation)

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	31.03.2023	31.03.2022	31.12.2022
	U.S. $ in thousands		
	Unaudited		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	8,640	6,517	8,279
Trade and other receivables	10,384	11,201	11,035
Unbilled revenue	3,597	3,542	2,204
Current tax receivables	467	281	549
Inventories	7,502	6,622	7,757
	30,590	28,163	29,824
NON-CURRENT ASSETS:			
Long term prepaid expenses	32	43	39
Property, plant and equipment	5,415	5,710	5,573
Deferred tax assets	1,140	1,123	1,163
Intangible assets	3,819	4,057	3,858
	10,406	10,933	10,633
Total assets	40,996	39,096	40,457

The accompanying notes form an integral part of the financial statements.

MTI WIRELESS EDGE LTD.
(An Israeli Corporation)

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	31.03.2023	31.03.2022	31.12.2022
	U.S. $ In thousands		
	Unaudited		

LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Current maturities and short term bank credit and loans	76	11	43
Trade payables	5,465	6,167	5,739
Other accounts payable	3,638	4,367	3,627
Current tax payables	433	374	425
	9,612	10,919	9,834
NON- CURRENT LIABILITIES:			
Contingent consideration	1,432	1,432	1,432
Lease liabilities	206	360	303
Loans from banks, net of current maturities	91	15	98
Employee benefits, net	753	963	752
	2,482	2,770	2,585
Total liabilities	12,094	13,689	12,419
EQUITY			
Equity attributable to owners of the parent			
Share capital	209	209	209
Additional paid-in capital	23,158	23,167	23,078
Translation differences	(348)	196	(250)
Retained earnings	4,669	713	3,775
	27,688	24,285	26,812
Non-controlling interest	1,214	1,122	1,226
Total equity	28,902	25,407	28,038
Total equity and liabilities	40,996	39,096	40,457

May 16, 2023			
Date of approval of financial statements	Moshe Borovitz Chief Executive Officer	Elhanan Zeira Controller	Zvi Borovitz Non-executive Chairman of the Board

The accompanying notes form an integral part of the financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three month period ended March 31,		Year ended December 31,
	2023	**2022**	**2022**
	U.S. $ in thousands		
	Unaudited		
Cash Flows from Operating Activities:			
Profit for the period	882	810	3,849
Adjustments for:			
Depreciation and amortization	326	327	1,466
Loss (Gain) from sale of property, plant and equipment	(10)	4	(1)
Finance (income) expenses, net	(33)	(9)	(82)

Tax expenses		233	164	468
Changes in operating assets and liabilities:				
Decrease (increase) in inventories		247	291	(951)
Decrease (increase) in trade receivables		(181)	262	(63)
Decrease (increase) in other accounts receivables		719	(355)	590
Increase in unbilled revenues		(1,393)	(748)	(1,134)
Increase (decrease) in trade and other accounts payables	4	(140)	593	572
Increase (decrease) in employee benefits, net		1	(9)	(93)
Cash from operations		651	1,330	4,621
Interest received		19	-	-
Interest paid		(10)	(11)	(52)
Income tax paid		(122)	(407)	(978)
Net cash provided by operating activities		538	912	3,591

The accompanying notes form an integral part of the financial statements.

INTERIM CONSOLIDATED STATEMENTS OF
CASH FLOWS (cont.)

	Three month period ended March 31,		Year ended December 31,
	2023	**2022**	**2022**
	U.S. $ in thousands		
	Unaudited		
Cash Flows From Investing Activities:			
Proceeds from sale of property, plant and equipment	11	-	15
Acquisition of subsidiary, net of cash acquired	-	(1,427)	(1,427)
Net cash from sale of previously consolidated subsidiaries	-	(2,785)	(2,785)
Purchase of property, plant and equipment	(145)	(181)	(552)
Net cash used in investing activities	(134)	(4,393)	(4,749)
Cash Flows From Financing Activities:			
Dividend	-	(2,479)	(2,479)
Payments of lease liabilities	(116)	(123)	(560)
Treasury shares acquired	-	-	(118)
Treasury shares sold	80	41	70
Repayment of long-term loans from banks	27	(4)	118
Net cash used in financing activities	(9)	(2,565)	(2,969)

(Decrease)/Increase in cash and cash equivalents during the period	395	(6,046)	(4,127)
Cash and cash equivalents at the beginning of the period	8,279	12,567	12,567
Exchange differences on balances of cash and cash equivalents	(34)	(4)	(161)
Cash and cash equivalents at the end of the period	8,640	6,517	8,279

The accompanying notes form an integral part of the financial statements.

MTI WIRELESS EDGE LTD.
(An Israeli Corporation)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL:

Corporate information:

M.T.I Wireless Edge Ltd. (hereafter - the "Company", or collectively with its subsidiaries, the "Group") is an Israeli corporation. The Company was incorporated under the Companies Act in Israel on December 30, 1998 and commenced operations on July 1, 2000. Since March 2006, the Company's shares have been traded on the AIM market of the London Stock Exchange.

The formal address of the Company is 11 Hamelacha Street, Afek industrial Park, Rosh-Ha'Ayin, Israel.

The Company and its subsidiaries are engaged in the following areas:

- Development, design, manufacture and marketing of antennas for the military and civilian sectors.
- A leading provider of remote control solutions for water and irrigation applications based on Motorola's IRRInet state of the art control, monitoring and communication technologies.
- Providing consulting, representation and marketing services to foreign companies in the field of RF (radio frequency) and Microwave, including engineering services in the field of aerostat systems and system engineering services.
- Development, manufacture and integration of communication systems and advanced monitoring and control systems for the Government and defence industry market.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

The interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for the preparation of financial statements for interim periods, as prescribed in International Accounting Standard No. 34 ("Interim Financial Reporting").

The interim consolidated financial information set out above does not constitute full year-end accounts within the meaning of Israeli Companies Law. It has been prepared on the going concern basis in accordance with the recognition and measurement criteria of the International Financial Reporting Standards (IFRS). Statutory financial information for the financial year ended December 31, 2022 was approved by the board on March 12, 2023. The report of the auditors on those financial statements was unqualified.

The interim consolidated financial statements as of March 31, 2023 have not been audited.

The interim consolidated financial information should be read in conjunction with the annual financial statements as of December 31, 2022 and for the year then ended and with the notes thereto. The significant accounting policies applied in the annual financial statements of the Company as of December 31, 2022 are applied consistently in these interim consolidated financial statements.

NOTE 3 - REVENUES:

	Three month period ended March 31,		Year ended December 31,
	2023	2022	2022
	U.S. $ in thousands		
	Unaudited		
Revenues arise from:			
Sale of goods*	8,284	9.135	34,618
Rendering of services**	1,465	1,713	8,334
Projects**	1,536	328	3,318
	11,285	11,176	46,270

(*) at the point in time
(**) over time

NOTE 4 - OPERATING SEGMENTS:

The following tables present revenue and profit information regarding the Group's operating segments for the three month period ended March 31, 2023 and 2022 respectively and for the year ended December 31, 2022.

Three month period ended March 31, 2023 (Unaudited):

	Antennas	Water Solutions	Distribution & Consultation Services	Adjustment & Elimination	Total
	U.S. $ in thousands				
Revenues					
External	2,945	4,509	3,831	-	11,285
Internal	-	-	88	(88)	-
Total	2,945	4,509	3,919	(88)	11,285
Segment profit (loss)	117	493	336	119	1,065
Finance expense (income), net					(50)
Tax expenses					233
Profit					882

March 31, 2023:

	Antennas	Water Solutions	Distribution & Consultation Services	Adjustment & Elimination	Total
	U.S. $ in thousands				
Segment assets	16,746	10,685	11,090	-	38,521
Unallocated assets					2,475
Segment liabilities	4,417	2,415	4,649	-	11,481
Unallocated liabilities					613

NOTE 4 - OPERATING SEGMENTS (CONT.):

Three month period ended March 31, 2022 (Unaudited):

	Antennas	Water Solutions	Distribution & Consultation Services	Adjustment & Elimination	Total
	U.S. $ in thousands				
Revenues					
External	2,728	4,258	4,190	-	11,176
Internal	-	-	49	(49)	-
Total	2,728	4,258	4,239	(49)	11,176
Segment profit (loss)	(132)	396	742	25	1,031
Finance expense, net					63
Tax expenses					164
Profit					804

March 31, 2022:

	Antennas	Water Solutions	Distribution & Consultation Services	Adjustment & Elimination	Total
	U.S. $ in thousands				
Segment assets	13,770	11,892	12,020	-	37,682
Unallocated assets					3,419
Segment liabilities	3,558	4,804	6,193	-	14,555
Unallocated liabilities					1,145

Year ended December 31, 2022

	Antennas	Water Solutions	Distribution & Consultation	Adjustment & Elimination	Total
	U.S. $ in thousands				
Revenues					
External	11,627	18,196	16,447	-	46,270
Inter-segment	-	-	215	(215)	-
Total	11,627	18,196	16,662	(215)	46,270
Segment profit	337	1,838	2,321	96	4,592
Finance expense, net					275
Tax expenses					468
Profit					3,849

NOTE 4 - OPERATING SEGMENTS (CONT.):

December 31, 2022:

	Antennas	Water Solutions	Distribution & Consultation	Adjustment & Elimination	Total

	U.S. $ in thousands				
Segment assets	14,848	11,834	11,272	-	37,954
Unallocated assets					2,503
Segment liabilities	2,627	3,881	5,098	-	11,606
Unallocated liabilities					813

NOTE 5 - SIGNIFICANT EVENTS:

A. On March 12, 2023, the Board of directors declared a cash dividend of 3.0 US cents per share, representing approximately $2,656,000, in total. This dividend was paid on April 6, 2023 to shareholders on the register at the close of trading on March 24, 2023 (ex-dividend on March 23, 2023).

B. On January 24, 2019, the Company announced a share repurchase program to conduct market purchases of ordinary shares of par value 0.01 Israeli Shekels each ("Ordinary Shares") in the Company up to a maximum value of £150,000 (the "Programme"). Thereafter, the board of directors of the Company and the board of directors of MTI Engineering decided to continue with the Programme for several further periods. On March 14, 2023, the Company announced that it would extend the Programme until March 31, 2024, with the Programme having an increased maximum value of up to £200,000 and with the Programme being managed by Shore Capital Stockbrokers Limited pursuant to the terms as announced. As at March 31, 2023, no Ordinary Shares were held in treasury under the Programme but on May 2, 2023 the Company purchased 100,000 Ordinary Shares that are held in treasury.

C. On March 14, 2023 at the Company's annual general meeting, Mr. Michael Yehezkel Karo was elected as an independent non-executive director.

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