RNS Number : 2773J
MTI Wireless Edge Limited
15 August 2023

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MTI Wireless Edge Ltd

("MTI", the "Company" or the "Group")

Interim results

MTI Wireless Edge Ltd (AIM: MWE), the technology group focused on comprehensive communication and radio frequency solutions across multiple sectors, is pleased to today announce its financial results for the six month period ended 30 June 2023.

'Significant improvement in Operating Cashflow - a steady performance and on track for the year'

Financial highlights

- Revenues broadly level at US$22.4m (H1 2022: US$22.7m), held back by adverse currency translation. On a constant currency basis revenues increased by 2%
- Gross margin improved 1% to 32% (H1 2022: 31%)
- Profit from operations level at US$2.19m (H1 2022: US$2.19m)
- Profit before tax increased 3% to US$2.1m (H1 2022: US$2.04m)
- Earnings per share increased 9% to 1.99 US cents (H1 2022: 1.83 US cents)
- Net cash provided by operating activities improved significantly to US$1.23m (H1 2022: US$0.037m)
- Strong financial position maintained, with an increase of 20% in net cash at 30 June 2023 to $6.25m (30 June 2022: $5.18m)

Operational highlights

- The Antenna division benefitted from increased defence sales and this is expected to continue into the second half of the year and beyond. This helped offset a softer commercial market and, overall, the division grew revenues by 3% and this segment's profit from operations increased significantly.
- The 5G market opportunity for MTI remains substantial, albeit progress is slow. Relationships with the leading OEMs in the sector are deepening alongside growing interest in the Company's ABS® antenna

solution to counter small mast movements

- Mottech experienced a relatively quiet first half resulting in a 2% decrease in revenue, mainly due to adverse currency translation, but the segment's profit from operations increased reflecting the updated pricing in its renewed agreements and foreign exchange benefits on export. In Q3 2023 trading has started well and Mottech's pipeline looks positive with Italy and France, in particular, performing well

- MTI Summit delivered a solid performance, although sales were 5% behind the same period last year. This was due to delays on two key projects being undertaken by the Group's subsidiary in the defence sector, PSK, which have now moved into the second half of the year. One of these projects is now completed and the second is underway. The segments profit from operations decreased reflecting the shift in revenues, due to these two projects

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

"Our strategy of diversification continues to support the overall positive performance of the business. We are a technology company providing radio frequency solutions but we do so across multiple sectors where we see significant long-term demand such as defence spending, modern water irrigation and the global rollout of the next generation 5G mobile network.

"Being a diverse technology company enables us to adapt to changing market conditions. To date in 2023, defence related orders are currently the fastest growing segment of our business and this trend is expected to continue for some time.

"The results for the first half were held back at the revenue level by the strength of the dollar against the shekel but we also benefitted from this movement, together with successful price increases, at the cost level improving gross margin and ultimately helping earnings per share to increase by 9% in the period. While the commercial market is still challenging, the supply issues experienced last year have dissipated and, with a strong pipeline of opportunities, we remain confident in the growth prospects for the business and the outcome for the year".

Moni Borovitz, Chief Executive Officer, will provide a live investor presentation relating to the financial results via the Investor Meet Company (IMC) platform on Tuesday, 15 August 2023 at 10.00am BST.

Investors can sign up for free via: https://www.investormeetcompany.com/mti-wireless-edge-ltd/register-investor

For further information please contact:

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Chief Executive's statement

The half year performance is particularly pleasing given the rapid upward interest rate movements during the period which has increased macro-economic volatility and brought some caution into the Group's market. That said, the conflict in Ukraine has meant defence budgets around the world are increasing and this started to be reflected in the Company's first half trading results and will be a key growth driver in the second half of the year and beyond. As a result, while Mottech and some commercial business lines were softer during Q2 2023, demand from defence related orders and the pipeline of opportunities mean we remain in a good position to complete a successful year, underlining the benefit of being a diverse business targeting multiple growth sectors.

Antenna division

This division is 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, with a growing focus on providing 5G backhaul antenna solutions to support mobile phone operators as they roll-out their 5G networks.

The Antenna division had a positive first half of the year with revenue and profit growth. Increasing defence spending was behind the growth in this division, with orders coming from around the globe and we expect further orders to come through in the second half of the year. The conflict in Ukraine has meant Governments are increasing defence budgets and MTI is now seeing increased spending from its customers in the military sector. The Group's expertise in military antennas is well-established and new orders are a mix of existing product lines and requests for new solutions, across both existing and new customers.

5G also remains a substantial driver of future growth. In the first half of the year the market was relatively soft as some cellular operators were more cautious, in some cases slowing the pace of installation, reflecting the macroeconomic environment. However, 5G is being installed worldwide and MTI is well placed to benefit. The ABS® antenna solution which ensures the antenna adapts to any small movements caused by different climate conditions, has brought MTI to the attention of three tier one radio manufacturers and two tier two customers, all of whom are working with MTI to prove-out the Company's system. This interaction further positions the division positively and significantly increases the sales prospects for the 5G backhaul solution.

Last year saw the opening of the Indian market for E-Band 5G backhaul. As anticipated, activity in India remains high and, although orders are sporadic, the size of the market and MTI's position within it bodes well. To that end, in July 2023, the Company established a new subsidiary in India, 'MTI Wireless Communication India Private Limited', to cater to the demand for cutting-edge antennas in India's evolving 5G cellular market.

Water Control & Management division

This division provides wireless control systems to manage irrigation and water distribution for agriculture, municipal authorities and commercial entities. It operates under the Mottech brand and utilises hardware technology from Motorola, integrated with the Company's own proprietary management software. Our solutions reduce water and power usage, whilst providing higher revenues from accurate efficient irrigation, leading to more and higher quality crops and plants being grown.

Mottech experienced a slightly softer market in Q2 2023, partially due to the sharp strengthening of the dollar against the shekel, which reduced the reported USD revenue but, due to costs being in shekels gross margin increased and operating profits were correspondingly higher in the first half of the year. Part of this was due to the division's successful introduction of price increases that have been implemented in 2022 and in 2023. As announced on 19 April 2023, Mottech secured two long-term contract wins with a large Israeli municipality. The municipality is an existing customer and has agreed longer than previous contracts. The two contracts are together worth $2.2million over the contracted periods with one covering installations and the other provision of services.

During the first half, Mottech generated good demand from Italy and started the third quarter with good demand from France, with the pipeline for both these markets looking encouraging and building on the positive performances in 2022.

Importantly, the fundamentals for this division remain strong, with the problem of water scarcity remaining a key global issue; one which Governments are increasingly recognising. Earlier this year, for the first time in almost 50 years, the United Nations held its first water conference in New York, with a plea for countries to work together to tackle overconsumption, inefficient industrial usage and the climate crisis - or else face more hunger, conflicts and forced migration due to worsening water scarcity. Water scarcity is a very real crisis involving both developed and underdeveloped countries. There are multiple solutions, but a key

response is to incorporate modern technology, such as that deployed by Mottech, to dramatically reduce water usage and the associated costs.

Overall, Mottech is well placed to deliver another positive result for the year.

Distribution & Professional Consulting Services division

Operating under the MTI Summit Electronics brand, this division exclusively represents approximately 40 international suppliers of radio frequency/microwave components and sells their products to Israeli customers. Expert knowledge of both the international suppliers and customers further enables MTI to act as a consultant to all parties and assist with devising complete radio frequency/microwave solutions.

MTI Summit delivered a resilient performance despite revenues being 5% lower than the comparable period last year, mainly due to delays with two projects. Both projects were being undertaken by PSK. One of the projects has now been completed and the second is now underway with good prospects to be expanded further. Defence represents the majority of the revenue base for MTI Summit and it is benefitting from the current significant increase in military spend by Governments around the globe. The conflict in Ukraine has been the catalyst behind this increase and judging from the future pipeline of orders and design wins, the outlook for MTI Summit is positive.

Outlook

The first six months ended successfully which has positioned the business well for the remainder of the year. We have a significant order book and pipeline of opportunities across all three divisions and the business remains in a strong financial position, with net cash of USD $6.25million. We expect defence related sales to continue to be a growth driver, alongside improved commercial sales as interest rate levels normalise. Finally, we firmly believe that there will be a step increase in our revenues from 5G in the coming years. Therefore MTI is well placed to grow and deliver attractive returns to shareholders.

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

	Six month period ended June 30,		Year ended December 31,
	2023	**2022**	**2022**
	U.S. $ in thousands (Except per share data)		
	Unaudited		
Revenues	22,354	22,693	46,270
Cost of sales	15,156	15,651	31,680
Gross profit	7,198	7,042	14,590
Research and development expenses	546	528	1,077
Distribution expenses	1,930	1,815	3,924
General and administrative expenses	2,537	2,501	4,998
Loss (profit) from sale of property, plant and equipment	(9)	8	1
Profit from operations	2,194	2,190	4,592
Finance expenses	182	221	385
Finance income	(85)	(72)	(110)
Profit before income tax	2,097	2,041	4,317
Tax expenses	392	364	468
Profit	1,705	1,677	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 financial statements of foreign operations	(165)	(345)	(422)
Total other comprehensive income (loss)	(165)	(345)	(295)
Total comprehensive income	1,540	1,272	3,554
Profit attributable to:			
Owners of the parent	1,761	1,617	3,721
Non-controlling interests	(56)	60	128
	1,705	1,677	3,849
Total comprehensive income attributable to:			
Owners of the parent	1,596	1,212	3,426
Non-controlling interests	(56)	60	128
	1,540	1,272	3,554
Earnings per share (dollars)			
Basic and Diluted (dollars per share)	0.0199	0.0183	0.0421
Weighted average number of shares outstanding			
Basic and Diluted	88,398,585	88,520,113	88,444,356

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

INTERIM CONSOLIDATED STATEMENTS OF
CHANGES IN EQUITY

For the six month period ended June 30, 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 six month period ended June 30, 2023:					
Comprehensive income					
Profit for the period	-	-	-	1,761	1,761
Other comprehensive income					
Translation differences	-	-	(165)	-	(165)
Total comprehensive income for the period	-	-	(165)	1,761	1,596
Acquisition and disposal of treasury shares	*	(47)	-	-	(47)
Dividend	-	-	-	(2,656)	(2,656)
Balance at June 30, 2023	209	23,031	(415)	2,880	25,705

(*) Less than US$ 1 thousand

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

INTERIM CONSOLIDATED STATEMENTS OF
CHANGES IN EQUITY (CONT.)

For the six month period ended June 30, 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 six-month period ended June 30, 2022:					
Comprehensive income					
Profit for the period	-	-	-	1,617	1,617
Other comprehensive income					
Translation differences	-	-	(345)	-	(345)
Total comprehensive income for the period	-	-	(345)	1,617	1,272

Acquisition and disposal of treasury shares	-	41	-	-	41
Dividend	-	-	-	(2,479)	(2,479)
Balance at June 30, 2022	209	23,167	(173)	1,544	24,747

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	-	(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

	30.06.2023	30.06.2022	31.12.2022
	U.S. $ in thousands		
	Unaudited		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	6,384	5,368	8,279
Trade and other receivables	9,603	11,497	11,035
Unbilled revenue	4,518	3,535	2,204
Current tax receivables	466	462	549
Inventories	7,439	6,457	7,757
	28,410	27,319	29,824
NON-CURRENT ASSETS:			
Long term prepaid expenses	42	44	39
Property, plant and equipment	5,133	5,989	5,573
Deferred tax assets	1,172	1,140	1,163
Intangible assets	3,779	3,989	3,858
	10,126	11,162	10,633
Total assets	38,536	38,481	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

	30.06.2023	30.06.2022	31.12.2022
	U.S. $ In thousands		
	Unaudited		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Current maturities and short term bank credit and loans	56	179	43
Trade payables	5,222	5,703	5,739
Other accounts payable	3,503	3,443	3,627
Current tax payables	499	440	425
	9,280	9,765	9,834
NON- CURRENT LIABILITIES:			
Liability to purchase shares of subsidiary	1,432	1,432	1,432
Lease liabilities	129	512	303
Loans from banks, net of current maturities	76	8	98
Employee benefits, net	744	859	752
	2,381	2,811	2,585
Total liabilities	11,661	12,576	12,419
EQUITY			

Equity attributable to owners of the parent			
Share capital	209	209	209
Additional paid-in capital	23,031	23,167	23,078
Translation differences	(415)	(173)	(250)
Retained earnings	2,880	1,544	3,775
	25,705	24,747	26,812
Non-controlling interest	1,170	1,158	1,226
Total equity	26,875	25,905	28,038
Total equity and liabilities	38,536	38,481	40,457

August 14, 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

	Six month period ended June 30,		Year ended December 31,
	2023	**2022**	**2022**
	U.S. $ in thousands		
	Unaudited		
Cash Flows from Operating Activities:			
Profit for the period	1,705	1,677	3,849
Adjustments for:			
Depreciation and amortization	651	734	1,466
Loss (Gain) from sale of property, plant and equipment	(2)	8	(1)
Finance (income) expenses, net	(50)	(80)	(82)
Tax expenses	392	364	468
Changes in operating assets and liabilities:			
Decrease (increase) in inventories	225	270	(951)
Decrease (increase) in trade receivables	519	(634)	(63)
Decrease (increase) in other accounts receivables	748	(133)	590
Increase in unbilled revenues	(2,314)	(741)	(1,134)
Increase (decrease) in trade and other accounts payables	(389)	(659)	572
Increase (decrease) in employee benefits, net	(8)	(113)	(93)
Cash from operations	1,477	693	4,621
Interest received	20	-	-
Interest paid	(17)	(29)	(52)
Income tax paid	(249)	(627)	(978)
Net cash provided by operating activities	1,231	37	3,591

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (cont.)

	Six month period ended June 30,		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	39	-	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	(183)	(324)	(552)
Net cash used in investing activities	(144)	(4,536)	(4,749)
Cash Flows From Financing Activities:			
Dividend	(2,656)	(2,479)	(2,479)
Payments of lease liabilities	(224)	(293)	(560)
Treasury shares acquired	(200)	-	(118)
Treasury shares sold	153	41	70
long-term loans from banks	(3)	157	118
Net cash used in financing activities	(2,930)	(2,574)	(2,969)
(Decrease)/Increase in cash and cash equivalents during the period	(1,843)	(7,073)	(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	(52)	(126)	(161)
Cash and cash equivalents at the end of the period	6,384	5,368	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). The 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 June 30, 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:

	Six month period ended June 30,		Year ended December 31,
	2023	2022	2022
	U.S. $ in thousands		
	Unaudited		
Revenues arise from:			
Sale of goods*	15,722	17,486	34,618
Rendering of services**	3,126	3,498	8,334
Projects**	3,686	1,709	3,318

	22,354	22,693	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 six month period ended June 30, 2023 and 2022 respectively and for the year ended December 31, 2022.

Six month period ended June 30, 2023 (Unaudited):

	Antennas	Water Solutions	Distribution & Consultation Services	Adjustment & Elimination	Total
	U.S. $ in thousands				
Revenues					
External	5,821	8,656	7,877	-	22,354
Internal	-	-	134	(134)	-
Total	5,821	8,656	8,011	(134)	22,354
Segment profit (loss)	281	960	784	169	2,194
Finance expense (income), net					97
Tax expenses					392
Profit					1,705

June 30, 2023 (Unaudited):

	Antennas	Water Solutions	Distribution & Consultation Services	Adjustment & Elimination	Total
	U.S. $ in thousands				
Segment assets	14,317	10,194	11,578	-	36,089
Unallocated assets					2,447
Segment liabilities	3,414	2,946	4,814	-	11,174
Unallocated liabilities					487

NOTE 4 - OPERATING SEGMENTS (CONT.):

Six month period ended June 30, 2022 (Unaudited):

	Antennas	Water Solutions	Distribution & Consultation Services	Adjustment & Elimination	Total
	U.S. $ in thousands				
Revenues					
External	5,678	8,825	8,190	-	22,693
Internal	-	-	209	(209)	-
Total	5,678	8,825	8,399	(209)	22,693
Segment profit	95	864	1,144	87	2,190
Finance expense, net					149
Tax expenses					364
Profit					1,677

June 30, 2022 (Unaudited):

	Antennas	Water Solutions	Distribution & Consultation Services	Adjustment & Elimination	Total
			U.S. $ in thousands		
Segment assets	14,414	10,717	10,538	-	35,669
Unallocated assets					2,812
Segment liabilities	2,241	3,520	6,294	-	12,055
Unallocated liabilities					521

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 24 January, 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 14 March, 2023, the Company announced that it would extend the Programme until 31 March, 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 30 June 2023 and as at 14 August 2023, 200,000 and 275,000 Ordinary Shares, respectively, were held in treasury under the Programme.

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

NOTE 6 - SUBSEQUENT EVENTS:

A. On 11 July, 2023 the Company acquired minority holdings in Ginat for an insignificant amount and now holds 100% of the company.

B. On 19 July, 2023 the Company completed the registration of its fully owned subsidiary, MTI Wireless Communication India Private Limited, in India in order to support local demand in the market.

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