

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

17 August 2020

MTI Wireless Edge Ltd

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

Financial Results for the six months ended 30 June 2020

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 2020.

Financial highlights

- Despite the closure of some of its key markets MTI delivered a 3% increase in revenues to \$19.6m (H1 2019: \$19.1m)
- MTI recorded a 28% increase in operating profit to \$1.9m, driven by improved profit margins (H1 2019: \$1.5m)
- This led to a 21% rise in net profit to \$1.54m (H1 2019: \$1.27m)
- Earnings per share increased by 12% to 1.65 US cents (H1 2019: 1.47 US cents)
- The Company has very little debt and net cash increased by 50% to \$7.6m as at 30 June 2020 (30 June 2019: \$5.00m)
- 2019 dividend of \$0.02 per share (2018 dividend: \$0.015 per share) paid on 10 April 2020

Operational highlights

- While COVID-19 did slow activity, all three of the Company's divisions still recorded growth on a year on year basis
- Mottech enjoyed a strong performance over the period, with increased demand for its water management systems in China and the successful launch of its Tethys system targeting the vineyard market in France
- Positive outlook for 5G backhaul antennas, as COVID-19 increased the demand for broadband, a key driver for growth in the antenna division
- MTI Summit continues to perform strongly, underpinned by its partnership with leading brands and increased spending in the global defence market
- Ongoing commitment to the Company's share repurchase programme
- Order book strength underpins management's confidence in the outlook for the business and the Group is on track to meet market expectations for profitability for the 2020 financial year

Moni Borovitz, Chief Executive Officer of MTI Wireless Edge, said: "That MTI remains on track to meet market expectations for profitability for the 2020 financial year despite the closure of some of our key markets over part of the period and the general slowdown caused by COVID-19, I believe reflects extremely well on MTI. The COVID-19 pandemic did reduce revenue in certain areas and added to supply chain costs, in particular freight costs, however, this was offset by cost savings across the business and with its balanced diversification across three divisions and multiple countries.

As is often the case adversity can also lead to opportunity. Demand for mobile and data connectivity increased substantially as people switched to remote working and schooling and consequently global projections for the adoption for 5G now indicate that by 2025 it will account for an estimated 45% of total mobile data, a very positive trend for our antenna division. Our distribution business is performing extremely well as is our water management business which continues to expand into key markets.

As of the date of this announcement, we have resumed working in most of our facilities (whilst adhering to the new health requirements and regulations) although working from home is still the preferred suggestion in Israel. We are seeing the majority of our markets recover although there are still significant challenges. Most importantly, none of our employees were infected by COVID-19.

Overall, we believe the Company is well positioned with very low borrowings, \$7.6m of net cash and attractive growth prospects in our three divisions all underpinned by the Company's expertise in radio frequency solutions. That said, this is an extraordinary and unpredictable period where Governments have been taking unilateral decisions regarding the movement of goods and people, so we remain cautious but optimistic for the outcome for the year.

With these factors in mind, below is a short review of each of our three divisions:

The antenna division operating under the MTI wireless brand, which sells antennas and custom developed antenna solutions, has exciting opportunities in the future sales of its 5G backhaul antenna solutions to support mobile phone operators roll-out their 5G networks. According to Ericsson's global mobility report published in June 2020, mobile traffic increased dramatically due to COVID-19 lockdowns, with 85% of consumers now using video conferencing and the demand for mobile data over the year to Q1 2020 increased by 56% on a year on year basis. These step changes have led to significant upward revisions on the speed for the global adoption of 5G and given that our antenna division currently supplies backhaul solutions to this market, this is undoubtedly a key growth driver for the division and the Group.

Currently one fifth of the world's population suffers from some level of water scarcity. This is set to get worse with 2.8 billion people across 48 countries expected to face water shortages by 2025. Water scarcity is a global issue, making water management solutions critical for many countries. Our wireless water control and management division continued to see good demand in the first half of the year, especially in China, although South Africa and the US markets were slowed due to the COVID-19 pandemic. Operating in 20 countries as the exclusive distributor of Motorola's proven IRRInet water management system, Mottech is well placed to continue to expand using its software licensing and recurring revenue model.

The distribution and professional consulting services business operating under the MTI Summit brand had a very strong period. Building upon a good performance in 2019, there is a backlog of proposals and design solutions developed by this division which customers are choosing to adopt, resulting in a strong flow of product sales. Russia has been a key area of growth in 2020, via our St Petersburg office established in 2015 and importantly there continues to be a good flow of requests for further design solutions and proposals which bodes well for future income.

Overall, we are cautiously optimistic for MTI's prospects in 2020. Looking further ahead, we confidently believe the Company's clear focus on providing radio frequency solutions coupled to being diversified across several markets and geographies positions us well to continue to grow and expand through a mix of acquisition led and organic growth."

Moni Borovitz, Chief Executive Officer, will provide a live investor presentation relating to the financial results for the six month period ended 30 June 2020 via the Investor Meet Company ("IMC") platform today at 10.00am UK time.

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

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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.

MTI WIRELESS EDGE LTD. (An Israeli Corporation)

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six month period ended June 30,		Year ended December 31,
	2020	2019	2019
	U.S. \$ in thousands		
	Unaudited		
Revenues	19,605	19,126	40,043
Cost of sales	13,426	12,983	27,247
Gross profit	6,179	6,143	12,796
Research and development expenses	403	574	1,185
Distribution expenses	1,771	2,121	4,229
General and administrative expenses	2,087	1,961	3,931
Loss (profit) from sale of property, plant and equipment	8	(8)	(8)
Profit from operations	1,910	1,495	3,459
Finance expenses	168	112	211
Finance income	(91)	(51)	(161)
Profit before income tax	1,833	1,434	3,409
Tax expenses	293	160	454
Profit	1,540	1,274	2,955
Other comprehensive income (loss) net of tax:			
<i>Items that will not be reclassified to profit or loss:</i>			
Re-measurement of defined benefit plans	-	-	(6)
<i>Items that may be reclassified to profit or loss:</i>			
Adjustment arising from translation of financial statements of foreign operations	(124)	31	62
Total other comprehensive income (loss)	(124)	31	56
Total comprehensive income	1,416	1,305	3,011
Profit (loss) attributable to:			
Owners of the parent	1,452	1,280	2,849
Non-controlling interests	88	(6)	106
	1,540	1,274	2,955
Total comprehensive income (loss) attributable to:			
Owners of the parent	1,328	1,311	2,905

Non-controlling interests	88	(6)	106
	<u>1,416</u>	<u>1,305</u>	<u>3,011</u>
Earnings per share (dollars)			
Basic	<u>0.0165</u>	<u>0.0147</u>	<u>0.0327</u>
Diluted	<u>0.0165</u>	<u>0.0147</u>	<u>0.0327</u>
Weighted average number of shares outstanding			
Basic	<u>87,881,376</u>	<u>86,940,807</u>	<u>87,229,851</u>
Diluted	<u>88,047,659</u>	<u>87,083,078</u>	<u>87,229,851</u>

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

MTI WIRELESS EDGE LTD.
(An Israeli Corporation)

**INTERIM CONSOLIDATED STATEMENTS OF
CHANGES IN EQUITY**

For the six month period ended June 30, 2020 (Unaudited):

	Attributed to owners of the parent							
	Share capital	Additional paid-in capital	Capital reserve for share-based payment transactions	Translation differences	Accumulated losses	Total attributable to owners of the parent	Non-controlling interest	Total equity
	U.S. \$ in thousands							
Balance at January 1, 2020	207	22,868	52	(62)	(658)	22,407	883	23,290
Changes during the six month period ended June 30, 2020:								
Comprehensive income								
Profit for the period	-	-	-	-	1,452	1,452	88	1,540
Other comprehensive loss								
Translation differences	-	-	-	(124)	-	(124)	-	(124)
Total comprehensive income (loss) for the period	-	-	-	(124)	1,452	1,328	88	1,416
Dividend	-	-	-	-	(1,758)	(1,758)	-	(1,758)
Exercise of options to share capital	1	24	(4)	-	-	21	-	21
Profit from acquisition and disposal of treasury shares (note 5B)	-	8	-	-	-	8	-	8
Acquisition of the non-controlling interest in subsidiary (note 5D)	-	(15)	-	-	-	(15)	(15)	(30)
Share based payment	-	-	2	-	-	2	-	2
Balance at June 30, 2020	208	22,885	50	(186)	(964)	21,993	956	22,949

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, 2019 (Unaudited):

	Attributed to owners of the parent							
	Share capital	Additional paid-in capital	Capital reserve for share-based payment transactions	Translation differences	Accumulated losses	Total attributable to owners of the parent	Non-controlling interest	Total equity
	U.S. \$ in thousands							
Balance at January 1, 2019	205	22,388	366	(124)	(2,195)	20,640	375	21,015
Changes during the six month period ended June 30, 2019:								
Comprehensive income								
Profit for the period	-	-	-	-	1,280	1,280	(6)	1,274
Other comprehensive loss								

Translation differences	-	-	-	31	-	31	-	31
Total comprehensive income (loss) for the period	-	-	-	31	1,280	1,311	(6)	1,305
Dividend	-	-	-	-	(1,306)	(1,306)	-	(1,306)
Exercise of options to share capital	1	65	(10)	-	-	56	-	56
Profit from acquisition and disposal of treasury shares	-	21	-	-	-	21	-	21
Share based payment	-	-	5	-	-	5	-	5
Balance at June 30, 2019	<u>206</u>	<u>22,474</u>	<u>361</u>	<u>(93)</u>	<u>(2,221)</u>	<u>20,727</u>	<u>369</u>	<u>21,096</u>

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, 2019 :

	Attributable to owners of the parent							
	Share capital	Additional paid-in capital	Capital Reserve from share-based payment transactions	Translation differences	Accumulated losses	Total attributable to owners of the parent	Non-controlling interests	Total equity
	U.S. \$ in thousands							
Balance as at January 1, 2019	205	22,388	366	(124)	(2,195)	20,640	375	21,015
Changes during 2019:								
Comprehensive income								
Profit for the year	-	-	-	-	2,849	2,849	106	2,955
Other comprehensive income (loss)								
Re measurements on defined benefit plans	-	-	-	-	(6)	(6)	-	(6)
Translation differences	-	-	-	62	-	62	-	62
Total comprehensive income for the year	-	-	-	62	2,843	2,905	106	3,011
Dividend	-	-	-	-	(1,306)	(1,306)	-	(1,306)
Non-controlling Interest of newly purchased subsidiary	-	-	-	-	-	-	402	402
Classification of ESOP that expired	-	291	(291)	-	-	-	-	-
Exercise of options to share capital	2	146	(31)	-	-	117	-	117
Profit from acquisition and disposal of treasury shares	-	43	-	-	-	43	-	43
Share based payment	-	-	8	-	-	8	-	8
Balance as at December 31, 2019	207	22,868	52	(62)	(658)	22,407	883	23,290

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

**MTI WIRELESS EDGE LTD.
(An Israeli Corporation)**

**INTERIM CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION**

	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>31.12.2019</u>
	U.S. \$ in thousands		
	Unaudited		

ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	7,860	5,662	8,140
Trade and other receivables	10,019	10,560	9,799
Unbilled revenue	3,158	2,126	2,866
Current tax receivables	559	628	672
Inventories	<u>4,998</u>	<u>5,113</u>	<u>5,748</u>

	<u>26,594</u>	<u>-</u>	<u>24,089</u>	<u>27,225</u>
NON-CURRENT ASSETS:				
Long term prepaid expenses	44		41	31
Property, plant and equipment	4,976		5,275	5,212
Deferred tax assets	639		704	664
Intangible assets	<u>1,090</u>	<u>-</u>	<u>869</u>	<u>1,116</u>
	<u>6,749</u>	<u>-</u>	<u>6,889</u>	<u>7,023</u>
Total assets	<u>33,343</u>	<u>-</u>	<u>30,978</u>	<u>34,248</u>

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

MTI WIRELESS EDGE LTD.
(An Israeli Corporation)

**INTERIM CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION**

	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>31.12.2019</u>
	<u>U.S. \$ In thousands</u>		
	<u>Unaudited</u>		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Current maturities and short term bank credit	229	303	312
Trade payables	4,082	5,242	6,448
Other accounts payable	4,657	2,760	2,691
Current tax payables	<u>245</u>	<u>68</u>	<u>230</u>
	<u>9,213</u>	<u>8,373</u>	<u>9,681</u>
NON- CURRENT LIABILITIES:			
Contingent consideration	69	-	69
Lease liabilities	239	447	224
Loans from banks, net of current maturities	53	299	141
Employee benefits, net	<u>820</u>	<u>763</u>	<u>843</u>
	<u>1,181</u>	<u>1,509</u>	<u>1,277</u>
Total liabilities	<u>10,394</u>	<u>9,882</u>	<u>10,958</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital	208	206	207
Additional paid-in capital	22,885	22,474	22,868
Capital reserve from share-based payment transactions	50	361	52
Translation differences	(186)	(93)	(62)
Accumulated losses	<u>(964)</u>	<u>(2,221)</u>	<u>(658)</u>
	<u>21,993</u>	<u>20,727</u>	<u>22,407</u>
Non-controlling interest	<u>956</u>	<u>369</u>	<u>883</u>
Total equity	<u>22,949</u>	<u>21,096</u>	<u>23,290</u>
Total equity and liabilities	<u>33,343</u>	<u>30,978</u>	<u>34,248</u>

August 16, 2020

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.

MTI WIRELESS EDGE LTD.
(An Israeli Corporation)

**INTERIM CONSOLIDATED STATEMENTS OF
CASH FLOWS**

	Six month period ended June 30,		Year ended December 31,
	2020	2019	2019
	U.S. \$ in thousands		
	Unaudited		
Cash Flows from Operating Activities:			
Profit for the period	1,540	1,274	2,955
Adjustments for:			
Depreciation and amortization	519	481	973
Loss (gain) from sale of property, plant and equipment	8	(8)	(8)
Equity settled share-based payment expense	2	5	8
Finance (income) expenses, net	(27)	32	32
Tax expenses	293	160	454
Changes in operating assets and liabilities:			
Decrease in inventories	643	920	523
Decrease (increase) in trade receivables	(455)	(1,087)	233
Decrease (increase) in other accounts receivables	207	126	(137)
Decrease (increase) in unbilled revenues	(292)	145	(595)
Increase (decrease) in trade and other accounts payables	(242)	1,146	1,821
Increase (decrease) in employee benefits, net	(23)	62	136
Cash from operations	2,173	3,256	6,395
Interest received	27	-	44
Interest paid	(8)	(36)	(77)
Income tax paid	(143)	(594)	(764)
Net cash provided by operating activities	2,049	2,626	5,598

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,
	2020	2019	2019
	U.S. \$ in thousands		
	Unaudited		
Cash Flows From Investing Activities:			
Proceeds from sale of property, plant and equipment	21	8	31
Acquisition of initially consolidated subsidiaries	-	-	(23)

Purchase of property, plant and equipment	<u>(172)</u>	<u>(501)</u>	<u>(707)</u>
Net cash used in investing activities	<u>(151)</u>	<u>(493)</u>	<u>(699)</u>
Cash Flows From Financing Activities:			
Dividend	(1,758)	(1,306)	(1,306)
Payments of lease liabilities	(305)	(235)	(511)
Treasury shares acquired	(155)	(143)	(428)
Treasury shares sold	163	164	471
Exercise of share options	21	56	117
Acquisition of the non-controlling interest in subsidiary	(30)	-	-
Repayment of long-term loan from banks	<u>(65)</u>	<u>(421)</u>	<u>(554)</u>
Net cash used in financing activities	<u>(2,129)</u>	<u>(1,885)</u>	<u>(2,211)</u>
Increase (decrease) in cash and cash equivalents during the period	(231)	248	2,688
Cash and cash equivalents at the beginning of the period	8,140	5,401	5,401
Exchange differences on balances of cash and cash equivalents	<u>(49)</u>	<u>13</u>	<u>51</u>
Cash and cash equivalents at the end of the period	<u>7,860</u>	<u>5,662</u>	<u>8,140</u>

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 and Microwave, including engineering services in the field of aerostat systems and system engineering services.

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, 2019 was approved by the board on March 1, 2019. The report of the auditors on those financial statements was unqualified.

The interim consolidated financial statements as of June 30, 2020 have not been audited.

The interim consolidated financial information should be read in conjunction with the annual financial statements as of December 31, 2019 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, 2019 are applied consistently in these interim consolidated financial statements.

NOTE 3 - REVENUES:

	Six month period ended June 30,		Year ended December 31,
	2020	2019	2019
	U.S. \$ in thousands		
	Unaudited		
Revenues arise from:			
Sale of goods*	16,275	15,817	32,236
Rendering of services**	2,029	2,088	4,299
Projects**	1,301	1,221	3,508
	<u>19,605</u>	<u>19,126</u>	<u>40,043</u>

(*) at the point of 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, 2020 and 2019 respectively and for the year ended December 31, 2019.

Six month period ended June 30, 2020 (Unaudited)

	Antennas	Water Solutions	Distribution & Consultation	Adjustment & Elimination	Total
	U.S. \$ in thousands				
<i>Revenues</i>					
External	5,916	7,942	5,747	-	19,605
Internal	-	-	81	(81)	-
Total	<u>5,916</u>	<u>7,942</u>	<u>5,828</u>	<u>(81)</u>	<u>19,605</u>
<i>Segment profit</i>	<u>56</u>	<u>945</u>	<u>789</u>	<u>120</u>	<u>1,910</u>
Finance expense, net					77
Tax expenses					<u>293</u>
Profit					<u>1,540</u>

As of June 30, 2020

	Antennas	Water Solutions	Distribution & Consultation	Adjustment & Elimination	Total
	U.S. \$ in thousands				
<i>Segment assets</i>	<u>13,976</u>	<u>9,256</u>	<u>7,518</u>	<u>-</u>	<u>30,750</u>
<i>Unallocated assets</i>					<u>2,593</u>
<i>Segment liabilities</i>	<u>3,287</u>	<u>2,425</u>	<u>3,845</u>	<u>-</u>	<u>9,557</u>
<i>Unallocated liabilities</i>					<u>837</u>

NOTE 4- OPERATING SEGMENTS (CONT.):

Six month period ended June 30, 2019 (Unaudited)

	Antennas	Water Solutions	Distribution & Consultation	Adjustment & Elimination	Total
	U.S. \$ in thousands				
<i>Revenues</i>					
External	5,872	7,659	5,595	-	19,126
Internal	-	-	87	(87)	-
Total	<u>5,872</u>	<u>7,659</u>	<u>5,682</u>	<u>(87)</u>	<u>19,126</u>
<i>Segment profit</i>	<u>80</u>	<u>616</u>	<u>668</u>	<u>131</u>	<u>1,495</u>
Finance expense, net					61
Tax expenses					<u>160</u>
Profit					<u>1,274</u>

As of June 30, 2019

	Antennas	Water Solutions	Distribution & Consultation	Adjustment & Elimination	Total
U.S. \$ in thousands					
Segment assets	12,542	9,082	5,060	-	26,684
Unallocated assets					4,294
Segment liabilities	3,531	2,333	2,747	-	8,611
Unallocated liabilities					1,271

Year ended December 31, 2019

	Antennas	Water Solutions	Distribution & Consultation	Adjustment & Elimination	Total
U.S. \$ in thousands					
Revenues					
External	12,015	16,518	11,510	-	40,043
Inter-segment	-	-	171	(171)	-
Total	12,015	16,518	11,681	(171)	40,043
Segment profit	444	1,562	1,228	225	3,459
Finance expense, net					50
Tax expenses					454
Profit					2,955

NOTE 4- OPERATING SEGMENTS (CONT.):**As of December 31, 2019**

	Antennas	Water Solutions	Distribution & Consultation	Adjustment & Elimination	Total
U.S. \$ in thousands					
Segment assets	14,576	9,793	5,729	-	30,098
Unallocated assets					4,150
Segment liabilities	3,514	1,836	3,837	-	9,187
Unallocated liabilities					1,771

NOTE 5 - SIGNIFICANT EVENTS:

- A. On 1 March 2020, the Board of directors declared a cash dividend of 2 US cents per share, representing approximately \$1,758,000, in total. This dividend was paid on 10 April 2020 to shareholders on the register at the close of trading on 20 March 2020.
- 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"). On 23 January 2020, the Company announced that the board of directors of the Company and the board of directors of MTI Engineering had decided to continue with the Programme for another six months until 26 July 2020 and on 27 July 2020 it was announced that the Programme would be extended until 26 January 2021. As at 30 June 2020, no Ordinary Shares were held in treasury under the Programme.
- In 2020, MTI Engineering generated a profit of \$8,000 in relation to the Programme, which was recorded in additional paid-in-capital.
- C. During January 2020, an employee of the Company exercised options over 60,000 Ordinary Shares in exchange for a total consideration of approximately \$21,000.
- D. Mottech Water Solutions Ltd ("Mottech"), a subsidiary of the company, signed an agreement in May 2020 to acquire its joint venture partner's 40% holding in a joint venture it established in China in 2017 ("Mottech China"). Following this acquisition, Mottech China is now a fully owned subsidiary of the Company.
- E. Outbreak of COVID-19 and Business Continuity - In December 2019, the COVID-19 pandemic broke out in China, and the virus has spread to many countries around the world. In January 2020, the World Health Organization announced the outbreak of the Coronavirus as a global health emergency, and in March 2020, the World Health Organization declared the pandemic to be a global pandemic. The spread of the virus is an unusual event on its scale and is dynamic and emergent. Policymakers around the world were forced to take unprecedented steps to curb the pandemic, including the isolation of civilians and establishing strict regulations and rules to create social distancing, to reduce the chances of infection. This included restricting inbound and outbound flights. Along with the dangerous impacts on human lives as a result of the outbreak, significant global and local business impacts have been recorded.

NOTE 5 - SIGNIFICANT EVENTS (CONT.):

While the Group's offices were partially and/or temporarily closed (depending on country of operations) during the second part of March and most of April 2020, the Group was able to maintain good levels of operation using remote work procedures and a sufficient level of production in its production facilities while assuring the health of employees.

As of the date of this report the Group has resumed operations in most of its facilities (still under health requirements and regulations), although working from home is still the preferred suggestion in Israel. The Company sees recovery in most of the territories where it operates, although there are still significant challenges. All aspects of the Group's supply chain are working slower, and the Company's industry has been affected on the operational level, along with the rest of the world economy as it faces the risk of a global recession where the ability to predict the timing of a recovery is uncertain.

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