RNS Number : 1562B
MTI Wireless Edge Limited
21 August 2024

21 August 2024

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 2024.

'Solid H1 - well placed for continued growth'

Financial highlights

- Revenues level at US$22.3m (H1 2023: US$22.3m)
- 18% increase in EBITDA* to US$3.3m (H1 2023: US$2.8m)
- Profit before tax increased 10% to US$2.3m (H1 2023: US$2.1m)
- Earnings per share increased 8% to 2.14 US cents (H1 2023: 1.99 US cents)
- Strong financial position maintained with net cash standing at US$5.5m on 30 June 2024 (31 December 2023: $8.1m) after payment of dividend (US$2.7m) and purchase of shares (US$0.6m) via the buyback facility during H1 2024
- Expansion of buyback programme effective from 22 August 2024 with increased funding from £0.7m to a maximum of £1.0m

**Earnings before interest, tax, depreciation and amortisation.*

Operational highlights

- The Antenna division delivered a 16% increase in sales, driven by strong demand from the defence sector and for the Group's 5G backhaul antenna solution. There is a significant order backlog for both military

antennas and 5G, plus an increased number of opportunities in the pipeline which provides reasonable visibility of future revenues.

- Domestic sales for Mottech were slower during this period as a result of the conflict, combined with some weakening in North America and Western Europe, leading to an 11% decrease in revenues. Nevertheless, profitability for the period was substantially higher, reflecting a higher margin business mix, some currency benefits and successful price increases. Q3 trading has started well and prospects in Europe for Q4 onwards, in particular, look positive.

- MTI Summit increased sales by 1%, held back by lower than expected revenues from PSK. Profitability was below the same period in last year after absorbing losses from PSK. The core business continues to perform well, tendering a good range of new designs and is well placed to pick up more contract wins in the future. PSK has had a challenging period, and to address this PSK reduced staff numbers in August 2024 to help offset current losses, whilst continuing to pursue an attractive new business pipeline.

- Outlook: Demand for products is high and enquiry levels for potential future projects is at an all time high, largely relating to the global defence sector.

Moni Borovitz, Chief Executive Officer of MTI Wireless Edge, said:
"Demand for good communication utilising radio frequency solutions across the water, defence and 5G industries remains high. Our range of products are well positioned in each of these industries and we are experiencing strong enquiry levels, most notably in the defence sector. Our trading performance in H1 shows a good increase in profitability and strong cash generation, combined with maintaining our firm financial base. We are therefore well placed for the current year. Not surprisingly, the conflict in Israel is having some impact on local market revenues although we did experience better deal flow in July and hopefully we will see the end to this conflict soon."

For further information please contact:

MTI Wireless Edge Ltd	+972 3 900 8900
Moni Borovitz, CEO	http://www.mtiwirelessedge.com
Allenby Capital Limited(Nomad and Joint Broker)	+44 20 3328 5656
Nick Naylor/Alex Brearley/Piers Shimwell (Corporate Finance)	
Guy McDougall/Amrit Nahal (Sales and Corporate Broking)	
Shore Capital(Joint Broker)	+44 20 7408 4090
Toby Gibbs/Rachel Goldstein (Corporate Advisory)	
Fiona Conroy (Corporate Broking)	
Novella(Financial PR)	
Tim Robertson/Safia Colebrook	+44 20 3151 7008

Chief Executive's statement

We have delivered a solid trading performance for the first six months of the year. A key change has been the increase in new business prospects. Enquiry levels have risen substantially over the past 10 months particularly from the defence sector. These enquiries have now turned into new and potential new projects and as a result our new business pipeline is substantially higher than in 2023. We are therefore in a good overall position and remain focused on developing the opportunities in all three of our diversified but complementary divisions.

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.

H1 was a strong trading period and the trend has continued into Q3, driven by the combination of demand for both military antenna and the Group's 5G backhaul antenna solution. Not surprisingly, defence spending has risen across the world following the outbreak of multiple conflicts. Orders for military antennas, while critical to all defence operations, tend to lag behind orders for other types of military equipment. We have experienced a strong flow of orders and opportunities, which have resulted in a healthy order backlog and pipeline of opportunities for military antennas, which underpins our confidence in trading for the full year for this division.

In H1 there was a good uplift in orders for the 5G backhaul antenna solution. However, it remains hard to predict the timing of future revenue levels for this product. That being said, the substantial prospects for it remain unchanged, as all cellular operators continue to be committed to establishing 5G networks. The pace of installation is the main variable, but at some point in the nearer-term future there will be a step change in order levels consistent with the widespread roll-out of 5G by multiple operators.

The ABS® antenna solution, which ensures the antenna adapts to any small movements caused by different climate conditions, is a relatively new solution responsible for bringing MTI to the attention of multiple new Tier 1 and Tier 2 potential customers. All of whom are conducting tests to prove the solution's viability. It has been an important door opener to a valuable new customer base and increases the likelihood of MTI being able to sell its other 5G backhaul solutions to them as well.

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 part of the hardware technology from Motorola, integrated with the Company's own proprietary management software. Our solutions reduce water and power usage, whilst providing higher revenue from accurate irrigation, leading to an increased number and improved quality of crops cultivated.

Revenues for this division reduced by 11%, primarily due to lower activity levels in Israel and some weakening in the North American and Western European markets. Conversely, profitability from this division rose substantially. This was due to a significantly better gross margin, driven by high margin products, lower marketing costs and a positive impact from currency exchange and the implementation of successful price increases.

The domestic Israeli market has been impacted by the current conflict, with local municipalities understandably prioritizing other areas over water management. The revenue shortfall mainly involved lower margin work and since the half-year we have seen the situation resolve itself, with normal demand levels resuming.

Similarly, while Europe and North America had a slow start, orders for the second half of the year have improved and new opportunities for both markets are positive. This, together withearly indications from a new technical solution we are offering, provides us with confidence in this part of the business.

The long-term driver for this division is the continuing global problem of water scarcity. 2.2 billion people still live without access to safely managed drinking water and 3.5 billion lack access to safely managed sanitation*. Using water efficiently is at the heart of Mottech's solution and the problem of water scarcity is no longer restricted to underdeveloped countries located close to the equator, with the issue now being a real threat across parts of Europe where water levels are dangerously low. Technologies, such as those deployed by Mottech, are key to the long-term solution.

*UNESCO report published on behalf of UN Water March 2024
https://www.un.org/sustainabledevelopment/blog/2024/03/un-world-water-development-report/

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 these 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 performed well, delivering a 1% increase in revenues notwithstanding lower revenue levels at PSK, which also negatively contributed to a reduction in its profitability. PSK experienced a challenging trading period and was loss making in H1. In response, we have reduced its cost base even though PSK's pipeline of

opportunities does contain some significant possibilities, which could accelerate its recovery. Requests to MTI Summit for design solutions have increased, which is creating a good pipeline of potential design wins, some of which are quite material and likely to drive its growth in 2025.

Share buyback programme

The board decided to increase the Company's share buyback programme effective from 22 August 2024 and hold the shares purchased for a longer period of time. The board agreed to increase the funds that can be used under the share buyback programme from £0.7m to £1.0m as it believes strongly in the prospects of the business.

Outlook

Demand for our products is high and enquiry levels for potential future projects is at an all time high, largely relating to the global defence sector. Trading in Q3 has been positive so far and we are hopeful of securing some material contracts in the second half of the year. Overall, the business is well placed with good visibility on potential future contracts which will support the prospects for the business into 2025 and beyond.

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.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six month period ended June 30,		Year ended December 31,
	2024	**2023**	**2023**
	U.S. $ in thousands (Except per share data)		
	Unaudited		
Revenues	22,327	22,354	45,634
Cost of sales	15,405	15,156	30,963
Gross profit	6,922	7,198	14,671
Research and development expenses	440	546	1,047
Distribution expenses	1,746	1,930	3,709
General and administrative expenses	2,547	2,537	5,278
Loss (profit) from sale of property, plant and equipment	(56)	(9)	13
Profit from operations	2,245	2,194	4,650
Finance expenses	137	182	342
Finance income	(195)	(85)	(527)
Profit before income tax	2,303	2,097	4,835
Income tax expenses	444	392	759
Profit	1,859	1,705	4,076
Other comprehensive income (loss) net of tax:			
Items that will not be reclassified to profit or loss:			
Re-measurement of defined benefit plans	-	-	62
Items that may be reclassified to profit or loss:			
Adjustment arising from translation of financial statements of foreign operations	(139)	(165)	(216)
Total other comprehensive loss	(139)	(165)	(154)
Total comprehensive income	1,720	1,540	3,922
Profit (loss)attributable to:			
Owners of the parent	1,880	1,761	4,045
Non-controlling interests	(21)	(56)	31
	1,859	1,705	4,076
Total comprehensive income (loss) attributable to:			
Owners of the parent	1,741	1,596	3,891
Non-controlling interests	(21)	(56)	31
	1,720	1,540	3,922
Earningsper share (dollars)			
Basic and Diluted (dollars per share)	0.0214	0.0199	0.0458
Weighted average number of shares outstanding			
Basic (dollars per share)	87,787,614	88,398,585	88,283,490
Diluted (dollars per share)	87,812,145	88,398,585	88,283,490

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

INTERIM CONSOLIDATEDSTATEMENTS OF CHANGES IN EQUITY

For the six month period endedJune 30, 2024(Unaudited):

	Attributable to owners of the parent				
	Share capital	**Additional paid-in capital**	**Translation differences**	**Retained earnings**	**Total attributa to owners the pare**
				U.S. $ in thousands	
Balance at January 1, 2024	209	23,061	(466)	5,226	28,030
Changes during the six month period ended June 30, 2024:					
Comprehensive income					
Profit (loss) for the period	-	-	-	1,880	1,880
Other comprehensive loss					
Translation differences	-	-	(139)	-	(139)
Total comprehensive income (loss)for the period	-	-	(139)	1,880	1,741
Acquisition and disposal of treasury shares	-	(551)	-	-	(551)
Dividend	-	-	-	(2,745)	(2,745
Balance at June 30, 2024	209	22,510	(605)	4,361	26,475

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

INTERIM CONSOLIDATEDSTATEMENTS OF CHANGES IN EQUITY (CONT.)

For the six month period endedJune 30, 2023(Unaudited):

	Attributable to owners of the parent				
	Share capital	**Additional paid-in capital**	**Translation differences**	**Retained earnings**	**Total attributa 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 **(**loss**)** for the period	-	-	-	1,761	1,761
Other comprehensive loss					

Translation differences	-	-	(165)	-	(165)
Total comprehensive income (loss)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

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

INTERIM CONSOLIDATEDSTATEMENTS OF CHANGES IN EQUITY (CONT.)

For the year ended December 31, 2023 :

	Attributable to owners of the pa			
	Share capital	**Additional paid-in capital**	**Translation differences**	**Retain earnin**
				U.S. $ in thc
Balance as at January 1, 2023	209	23,078	(250)	3,775
Changes during 2023:				
Comprehensive income				
Profit for the year	-	-	-	4,045
Other comprehensive income (loss)				
Re measurements on defined benefit plans	-	-	-	62
Translation differences	-	-	(216)	-
Total comprehensive income(loss)for the year	**-**	**-**	**(**216**)**	4,107
Dividend	**-**	-	-	(2,656
Acquisition of minority holdings in subsidiary	-	-	-	-
Acquisition and disposal, net of treasury shares	-	(17)	-	-
Balance as at December 31,2023	209	23,061	(466)	5,226

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

MTI WIRELESS EDGE LTD.
(An Israeli Corporation)

INTERIM CONSOLIDATED STATEMENTS OF FINANCIALPOSITION

	30.06.2024	30.06.2023	31.12.2023
	U.S. $ in thousands		
	Unaudited		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	6,006	6,384	8,454
Trade and other receivables	13,461	9,603	14,284
Unbilled revenue	4,529	4,518	4,190
Currenttax receivables	109	466	381
Inventories	8,186	7,439	7,484
	32,291	28,410	34,793
NON-CURRENT ASSETS:			
Long term prepaid expenses	29	42	37
Property, plant and equipment	5,357	5,133	5,398
Deferred tax assets	864	1,172	968
Intangible assets	3,427	3,779	3,507
	9,677	10,126	9,910
Total assets	41,968	38,536	44,703

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

MTI WIRELESS EDGE LTD.
(An Israeli Corporation)

INTERIM CONSOLIDATED STATEMENTS OF FINANCIALPOSITION

	30.06.2024	30.06.2023	31.12.2023
	U.S. $ In thousands		
	Unaudited		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Current maturities and short term bank credit and loans	447	56	314
Trade payables	7,454	5,222	7,882
Other accounts payable	3,551	3,503	4,558
Current tax payables	417	499	283
	11,869	9,280	13,037
NON- CURRENTLIABILITIES:			
Contingent consideration	1,117	1,432	1,117
Lease liabilities	498	129	514
Loans from banks, net of current maturities	54	76	64
Employee benefits, net	754	744	719
	2,423	2,381	2,414

Total liabilities	14,292	11,661	15,451
EQUITY			
Equity attributable to owners of the parent			
Share capital	209	209	209
Additional paid-in capital	22,510	23,031	23,061
Translation differences	(605)	(415)	(466)
Retained earnings	4,361	2,880	5,226
	26,475	25,705	28,030
Non-controlling interest	1,201	1,170	1,222
Total equity	27,676	26,875	29,252
Total equity and liabilities	41,968	38,536	44,703

August 20, 2024			
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,
	2024	**2023**	**2023**
	U.S. $ in thousands		
	Unaudited		
Cash Flows from Operating Activities:			
Profitfor theperiod	1,859	1,705	4,076
Adjustments for:			
Depreciation and amortization	1,099	651	1,511
(Gain) from sale of property, plant and equipment	(56)	(2)	(13)
Finance (income), net	(312)	(50)	(5)
Changes in Contingent consideration	-	-	(315)
Tax expenses	444	392	759
Changes in operating assets and liabilities:			
Decrease (increase) in inventories	(751)	225	158
Decrease (increase)in trade receivables	963	519	(2,477)
Decrease (increase) in other accounts receivables	(257)	748	(897)
Increasein unbilled revenues	(339)	(2,314)	(1,986)
Increase(decrease) in trade and other accounts payables	(1,256)	(389)	3,228
Increase (decrease) in employee benefits, net	35	(8)	29
Cash from operations	1,429	1,477	4,068

Interest received	69	20	69
Interest paid	(39)	(17)	(59)
Income tax paid (received)	65	(249)	(540)
Net cash provided by operating activities	1,524	1,231	3,538

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,
	2024	**2023**	**2023**
	U.S. $ in thousands		
	Unaudited		
Cash Flows From Investing Activities:			
Proceeds from sale of property, plant and equipment	56	39	62
Purchase of property, plant and equipment	(370)	(183)	(426)
Net cashused in investing activities	(314)	(144)	(364)
Cash Flows From Financing Activities:			
Dividend	(2,745)	(2,656)	(2,656)
Payments of leaseliabilities	(485)	(224)	(485)
Treasury shares acquired	(551)	(200)	(516)
Treasury shares sold	-	153	499
Acquisition of non-controlling interest in subsidiary	-	-	(35)
Receipt of loans from banks	168	-	460
Repayment of long-term loans from banks	(9)	(3)	(247)
Net cashused in financing activities	(3,622)	(2,930)	(2,980)
(Decrease)/Increase in cash and cash equivalents during the period	(2,412)	(1,843)	194
Cash and cash equivalents at the beginning of the period	8,454	8,279	8,279
Exchange differences on balances of cash and cash equivalents	(36)	(52)	(19)
Cash and cash equivalents at the end of the period	6,006	6,384	8,454

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 InternationalAccountingStandard 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, 2023 was approved by the board on March 10, 2024. The report of the auditors on those financial statements was unqualified.

The interim consolidated financial statements as of June 30, 2024 have not been audited.

The interim consolidated financial information should be read in conjunction with the annual financial statements as of December 31, 2023 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, 2023 are applied consistently in these interim consolidated financial statements.

On April 9, 2024, the IASB published IFRS 18 'Presentation and Disclosure in Financial Statements' which replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting periods beginning on or after January 1st, 2027. The main changes are as follows:

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - (CONT.):

1. Mandatory sub totals to be presented in the profit and loss account.
2. Aggregation and disaggregation of information including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.
3. Disclosures related to management defined performance measures (MPMs).

The Company is currently assessing the impact of this new accounting standard and amendment.

NOTE 3 -REVENUES:

	Six month period ended June 30,		Year ended December 31,
	2024	2023	2023
	U.S. $ in thousands		
	Unaudited		
Revenues arise from:			
Sale of goods*	16,183	15,722	32,525
Rendering of services**	3,854	3,126	7,178
Projects**	2,290	3,686	5,931
	22,327	22,354	45,634

(*) 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, 2024 and 2023 respectively and for the year ended December 31, 2023.

Six month periodended June 30, 2024 (Unaudited):

	Antennas	Water Solutions	Distribution & Consultation Services	Adjustment & Elimination	Total
	U.S. $ in thousands				
Revenues					
External	6,734	7,713	7,880	-	22,327
Internal	-	-	261	(261)	-
Total	6,734	7,675	8,141	(261)	22,327
Segment profit	325	1,266	374	280	2,245
Finance(income),net					(58)
Taxexpenses					444
Profit					1,859

NOTE 4 - OPERATING SEGMENTS (CONT.):

June 30, 2024(Unaudited):

	Antennas	Water Solutions	Distribution & Consultation Services	Adjustment & Elimination	Total
	U.S. $ in thousands				
Segment assets	16,028	11,966	11,634	-	39,628
Unallocated assets					2,340

Segment liabilities	4,676	4,086	4,855	-	13,617
Unallocated liabilities					675

Six month periodended 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	281	960	784	169	2,194
Financeexpense,net					97
Taxexpenses					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.):

Year ended December 31, 2023

	Antennas	Water Solutions	Distribution & Consultation	Eliminations	Total
	U.S. $ in thousands				
Revenues					
External	12,237	17,164	16,233	-	45,634
Inter-segment	-	-	344	(344)	-
Total	12,237	17,164	16,577	(344)	45,634
Segment profit	841	1,986	1,552	271	4,650
Financeincome,net					(185)
Taxexpenses					759
Profit					4,076

December 31, 2023:

	Antennas	Water Solutions	Distribution & Consultation	Eliminations	Total

	U.S. $ in thousands				
Segment assets	17,124	12,468	12,711	-	42,303
Unallocated assets					2,400
Segment liabilities	4,952	4,326	5,293	-	14,571
Unallocated liabilities					880

NOTE 5 - SIGNIFICANT EVENTS:

A. On January 5, 2024, following approval at an extraordinary shareholders' meeting, the Company granted 600,000 share options to Mr. Moshe (Moni) Borovitz, the Chief Executive Officer, and 100,000 share options to Mr. Dov Feiner, the General Manager of the Company's Antenna Division. The expense for share-based payments (such as stock options) typically appears on the income statement as part of the Company's operating expenses.

B. The Board of directors declared a cash dividend of 3.1 US cents per share, being approximately $2,745,000. This dividend was paid on 11 April 2024 to shareholders on the register at the close of trading on 22 March 2024.

C. The financial statements for the year ended 31 December 2023 were authorized for issue by the Board following their approval on 10 March 2024.

D. 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") and on 10 March 2024 the Board of directors of the Company and the board of directors of MTI Engineering decided to extend the Programme effective from

NOTE 5 - SIGNIFICANT EVENTS (CONT.):

12 March 2024 until 31 March 2025 and to increase the maximum value of the Programme to up to £700,000, with the intention to hold the Ordinary Shares purchased for a longer period of time. As at 30 June 2024, 1,298,000 Ordinary Shares were held in treasury under the Programme. As of the date of this report, 1,648,000 Ordinary Shares were held in treasury under the Programme.

E. On 20 March 2024 at the Company's extraordinary meeting, Mrs. Hani Lerman was elected as an external non-executive director.

F. On 7 October 2023 Israel was attacked by the Hamas terror organization leading to war in the Gaza region and Israel. The war has led to a slowdown in the Israeli economy and if this war continues for a prolonged period, then it may begin to impact the Company. The wide usage of military reserve personnel, adverse foreign currency exchange rates and restrictions on access to certain areas in Israel are risks which may affect the Company if there is a prolonged period of war. As of the date of this report, and to the best of the Company's knowledge, the war has not had a significant effect on the Company. The Company continues to review the effects of the war on its trading as it believes that if the war continues for a long period of time then the overall Israeli economy will be effected, and factors including the lack of available manpower, interest rates and foreign currency exchange rates may have an impact on its trading.

NOTE 6 - SUBSEQUENT EVENTS:

A. On 20 August 2024, the Board of directors of the Company and the board of directors of MTI Engineering decided to increase the maximum value of the Programme to up to £1,000,000, with the intention to hold the Ordinary Shares purchased for a longer period of time.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

IR QKKBDABKDNFB