

16 August 2021

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 2021.

Financial highlights

- Solid revenue growth, up by 9% to \$21.3m (H1 2020: \$19.6m)
- 14% increase in operating profit to \$2.2m (H1 2020: \$1.9m)
- 13% rise in net profit to \$1.73m (H1 2020: \$1.54m)
- Earnings per share increased by 14% to 1.89 US cents (H1 2020: 1.65 US cents)
- Cash flow from operations increased by 53% to \$3.1m (H1 2020: \$2.0m)
- Strong balance sheet with net cash at \$9.7m as of 30 June 2021 (30 June 2020: \$7.6m)
- 2020 dividend of \$0.025 per share (2019 dividend: \$0.02 per share) paid on 31 March 2021

Operational highlights

- Another positive trading period with good contributions from all three divisions
- MTI Summit continues to benefit from increased government spending on defence
- Mottech opened a new, wholly owned subsidiary and office in Canada and retained key city centre contracts in Israel and internationally
- The Antenna division secured its first contract to develop antennas for use in space and the take up of 5G antennas is in line with internal forecasts

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

"This has been another good trading period for the Company. We are winning new, and retaining existing contracts, and several of the new contracts we have won are with substantial corporations which may well lead to greater opportunities in the future. Alongside this, we made solid progress across all three divisions and as a result we are well placed to continue to grow our revenue streams and profitability."

Moni Borovitz, Chief Executive Officer, will provide a short investor presentation giving an overview of the results for the six month period ended 30 June 2021, 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>

For further information please contact:

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Chief Executive' Statement

I am pleased to be able to report on a strong six months of trading. All three divisions are focused on addressing growth markets and this is reflected in the high demand for their services. Whether it is increased defence spending, demand for 5G mobile backhaul connectivity or the need for efficient irrigation due to water scarcity, our products and services are set up to provide solutions to these significant growth markets. As part of completing a successful trading period, the Company continues to be strongly cash generative with net cash now at \$9.7 million at the end of the half-year, providing the capital to support future investment, if required and to pursue potential acquisitions.

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.

Trading was positive with consistent demand for antennas and associated products across the customer base. The roll-out of 5G networks across the world continues apace. Network operators are responding by rolling out higher bandwidth 5G services to their customers which presents a major opportunity for MTI's multi band and flat antennas, as operators will need to increase the backhaul connectivity between cell towers to deliver these faster services. Sales of MTI's 5G backhaul products are continuing to grow in line with the Company's internal targets.

After the half-year end, the Antenna division announced that it had been selected to partner with US engineering and technology firm, Craig Technologies and its subsidiary Sidus Space, to develop a new

range of space antennas as part of a funded project. This represents a new market for the Antenna division and one perhaps which the Company can expand into.

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 more and higher quality crops and plants being grown.

2021 thus far has been another good trading period for Mottech. Awareness of the issue of water scarcity globally is increasing and this is leading to greater demand for the division's services. During the period, there was a healthy mix of retaining existing contracts and winning new mandates.

Six months ago, Mottech launched a new office in Alberta, Canada following the retirement of the Company's long-term Canadian re-seller. This office was quick to establish itself and has retained its key clients for both services contracts and upgrades of systems, which we consider to be an excellent beginning for a new venture with the potential to be an important long-term profit centre.

Since the successful launch of the Tethys system, a new wireless irrigation solution developed for the French wine market, demand for the system has been high and it is now installed in hundreds of French vineyards covering over 6,000 hectares.

It has been two years since the successful acquisition of 50% of our partner, Parkland PTY Ltd, now renamed Mottech Parkland in Australia and in that period the business has delivered over 35% growth in revenue, principally through winning new customers and it continues to see interesting opportunities for further expansion in this market.

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 continues to benefit from high levels of spending by governments on defence and the demand for continued development of new wireless/radio frequency (RF) commercial solutions in Israel. During the period, the Company secured new orders from a number of significant military customers which bodes well for the future.

The Russian satellite office continued to perform well, while revenues from the large tethered balloon project that contributed strongly in the second half of 2020 and first quarter of 2021 were soft in Q2 as some delays occurred. However, we believe the remainder of 2021 will deliver good revenue streams and the prospect of a long term tethered balloon service contract. With the consistent increases in spending on defence and wireless solutions globally, MTI Summit looks well positioned for the future.

Outlook

Some markets are behind others in terms of recovering from the global COVID-19 pandemic, however, the diversity of the Group across multiple countries and markets has smoothed this disruption and enabled the delivery of a trading performance that we consider would be very satisfactory in a normal market environment. The Board believes that the business is financially strong and well placed to continue to grow, with three divisions utilising RF and wireless technology addressing separate markets where there are substantial natural drivers of future growth in addition to potential acquisition opportunities.