**MTI WIRELESS EDGE LTD.**

**(An Israeli Corporation)**

# INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**(Unaudited)**

**AS OF JUNE 30, 2025**

# MTI WIRELESS EDGE LTD.

**(An Israeli Corporation)**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

**AS OF JUNE 30, 2025**

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**MTI WIRELESS EDGE LTD.**
**(An Israeli Corporation)**
**INTERIM CONSOLIDATED STATEMENTS OF**
**COMPREHENSIVE INCOME**

| | Six month period ended June 30, | | Year ended December 31, |
|---|---|---|---|
| | **2025** | **2024** | **2024** |
| | **U.S. $ in thousands** (Except per share data) | | |
| | **Unaudited** | | |
| Revenues | 24,138 | 22,327 | 45,573 |
| Cost of sales | 16,299 | 15,405 | 31,370 |
| **Gross profit** | 7,839 | 6,922 | 14,203 |
| Research and development expenses | 540 | 440 | 1,016 |
| Distribution expenses | 1,772 | 1,746 | 3,413 |
| General and administrative expenses | 3,040 | 2,547 | 5,321 |
| Loss (profit) from sale of property, plant and equipment | - | (56) | 59 |
| **Profit from operations** | 2,487 | 2,245 | 4,512 |
| Finance expenses | 282 | 137 | 282 |
| Finance income | (63) | (195) | (582) |
| **Profit before income tax** | 2,268 | 2,303 | 4,812 |
| Tax expenses | 295 | 444 | 619 |
| **Profit** | 1,973 | 1,859 | 4,193 |
| Other comprehensive income (loss) net of tax: | | | |
| *Items that will not be reclassified to profit or loss:* | | | |
| Re-measurement of defined benefit plans | - | - | 16 |
| *Items that may be reclassified to profit or loss:* | | | |
| Adjustment arising from translation of financial statements of foreign operations | 10 | (139) | (149) |
| Total other comprehensive income (loss) | 10 | (139) | (133) |
| **Total comprehensive income** | 1,983 | 1,720 | 4,060 |
| **Profit (loss) attributable to:** | | | |
| Owners of the parent | 2,159 | 1,880 | 4,364 |
| Non-controlling interests | (186) | (21) | (171) |
| | 1,973 | 1,859 | 4,193 |
| **Total comprehensive income (loss) attributable to:** | | | |
| Owners of the parent | 2,169 | 1,741 | 4,231 |
| Non-controlling interests | (186) | (21) | (171) |
| | 1,983 | 1,720 | 4,060 |
| **Earnings per share** (dollars) | | | |
| Basic (dollars per share) | 0.0250 | 0.0214 | 0.0499 |
| Diluted (dollars per share) | 0.0249 | 0.0214 | 0.0499 |
| **Weighted average number of shares outstanding** | | | |
| Basic | 86,195,724 | 87,787,614 | 87,371,990 |
| Diluted | 86,608,765 | 87,812,145 | 87,460,876 |

**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, 2025 (Unaudited):**

| | Attributable to owners of the parent | | | | | | |
|---|---|---|---|---|---|---|---|
| | Share capital | Additional paid-in capital | Translation differences | Retained earnings | Total attributable to owners of the parent | Non-controlling interest | Total equity |
| | U.S. $ in thousands | | | | | | |
| **Balance at January 1, 2025** | 209 | 22,002 | (615) | 6,861 | 28,457 | 1,051 | 29,508 |
| **Changes during the six month period ended June 30, 2025:** | | | | | | | |
| **Comprehensive income** | | | | | | | |
| Profit (loss) for the period | - | - | - | 2,159 | 2,159 | (186) | 1,973 |
| **Other comprehensive income** | | | | | | | |
| Translation differences | - | - | 10 | - | 10 | - | 10 |
| **Total comprehensive income (loss) for the period** | - | - | 10 | 2,159 | 2,169 | (186) | 1,983 |
| Share based payment | - | 54 | - | - | 54 | - | 54 |
| Dividend | - | - | - | (2,922) | (2,922) | - | (2,922) |
| **Balance at June 30, 2025** | 209 | 22,056 | (605) | 6,098 | 27,758 | 865 | 28,623 |

**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 (CONT.)**

**For the six month period ended June 30, 2024 (Unaudited):**

| | Attributable to owners of the parent | | | | | | |
|---|---|---|---|---|---|---|---|
| | Share capital | Additional paid-in capital | Translation differences | Retained earnings | Total attributable to owners of the parent | Non-controlling interest | Total equity |
| | U.S. $ in thousands | | | | | | |
| **Balance at January 1, 2024** | 209 | 23,061 | (466) | 5,226 | 28,030 | 1,222 | 29,252 |
| **Changes during the six month period ended June 30, 2024:** | | | | | | | |
| **Comprehensive income** | | | | | | | |
| Profit (loss) for the period | - | - | - | 1,880 | 1,880 | (21) | 1,859 |
| **Other comprehensive loss** | | | | | | | |
| Translation differences | - | - | (139) | - | (139) | - | (139) |
| **Total comprehensive income (loss) for the period** | - | - | (139) | 1,880 | 1,741 | (21) | 1,720 |
| Acquisition and disposal of treasury shares | - | (551) | - | - | (551) | - | (551) |
| Dividend | - | - | - | (2,745) | (2,745) | - | (2,745) |
| **Balance at June 30, 2024** | 209 | 22,510 | (605) | 4,361 | 26,475 | 1,201 | 27,676 |

**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 (CONT.)**

**For the year ended December 31, 2024:**

| | Attributable to owners of the parent | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Share capital** | **Additional paid-in capital** | **Translation differences** | **Retained earnings** | **Total attributable to owners of the parent** | **Non-controlling interests** | **Total equity** |
| | U.S. $ in thousands | | | | | | |
| **Balance as at January 1, 2024** | 209 | 23,061 | (466) | 5,226 | 28,030 | 1,222 | 29,252 |
| **Changes during 2024:** | | | | | | | |
| **Comprehensive income** | | | | | | | |
| Profit (loss) for the year | - | - | - | 4,364 | 4,364 | (171) | 4,193 |
| **Other comprehensive income (loss)** | | | | | | | |
| Re measurements on defined benefit plans | - | - | - | 16 | 16 | - | 16 |
| Translation differences | - | - | (149) | - | (149) | - | (149) |
| **Total comprehensive income (loss) for the year** | - | - | (149) | 4,380 | 4,231 | (171) | 4,060 |
| Dividend | - | - | - | (2,745) | (2,745) | - | (2,745) |
| Share based payment | - | 106 | - | - | 106 | - | 106 |
| Acquisition and disposal, net of treasury shares | - | (1,165) | - | - | (1,165) | - | (1,165) |
| **Balance as at December 31, 2024** | 209 | 22,002 | (615) | 6,861 | 28,457 | 1,051 | 29,508 |

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

**MTI WIRELESS EDGE LTD.**

**(An Israeli Corporation)**

**INTERIM CONSOLIDATED STATEMENTS OF**

**FINANCIAL POSITION**

| | 30.06.2025 | 30.06.2024 | 31.12.2024 |
|---|---|---|---|
| | U.S. $ in thousands | | |
| | Unaudited | | |
| **ASSETS** | | | |
| **CURRENT ASSETS:** | | | |
| Cash and cash equivalents | 5,501 | 6,006 | 6,269 |
| Trade and other receivables | 14,017 | 13,461 | 16,726 |
| Unbilled revenue | 5,003 | 4,529 | 3,200 |
| Current tax receivables | 402 | 109 | 297 |
| Inventories | 9,119 | 8,186 | 8,168 |
| | 34,042 | 32,291 | 34,660 |
| **NON-CURRENT ASSETS:** | | | |
| Long term prepaid expenses | 35 | 29 | 34 |
| Property, plant and equipment | 5,504 | 5,357 | 5,584 |
| Deferred tax assets | 1,331 | 864 | 1,187 |
| Intangible assets | 3,375 | 3,427 | 3,348 |
| | 10,245 | 9,677 | 10,153 |
| **Total assets** | 44,287 | 41,968 | 44,813 |

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

**MTI WIRELESS EDGE LTD.**

**(An Israeli Corporation)**

**INTERIM CONSOLIDATED STATEMENTS OF**

**FINANCIAL POSITION**

| | 30.06.2025 | 30.06.2024 | 31.12.2024 |
|---|---|---|---|
| | U.S. $ In thousands | | |
| | Unaudited | | |
| **LIABILITIES AND EQUITY** | | | |
| **CURRENT LIABILITIES:** | | | |
| Current maturities and short term bank credit and loans | 317 | 447 | 274 |
| Trade payables | 7,663 | 7,454 | 8,433 |
| Other accounts payable | 4,894 | 3,551 | 4,098 |
| Current tax payables | 438 | 417 | 255 |
| | 13,312 | 11,869 | 13,060 |
| **NON- CURRENT LIABILITIES:** | | | |
| Contingent consideration and put option liability | 837 | 1,117 | 837 |
| Lease liabilities | 580 | 498 | 601 |
| Loans from banks, net of current maturities | 110 | 54 | 37 |
| Employee benefits, net | 825 | 754 | 770 |
| | 2,352 | 2,423 | 2,245 |
| **Total liabilities** | 15,664 | 14,292 | 15,305 |
| **EQUITY** | | | |
| **Equity attributable to owners of the parent** | | | |
| Share capital | 209 | 209 | 209 |
| Additional paid-in capital | 22,056 | 22,510 | 22,002 |
| Translation differences | (605) | (605) | (615) |
| Retained earnings | 6,098 | 4,361 | 6,861 |
| | 27,758 | 26,475 | 28,457 |
| Non-controlling interests | 865 | 1,201 | 1,051 |
| **Total equity** | 28,623 | 27,676 | 29,508 |
| **Total equity and liabilities** | 44,287 | 41,968 | 44,813 |

| August 24, 2025 | | | |
|---|---|---|---|
| Date of approval of financial statements | Moshe Borovitz<br>Chief Executive Officer | Elhanan Zeira<br>Controller | Luke Ahern<br>Non-executive Chair of the meeting |

**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, |
|---|---|---|---|
| | 2025 | 2024 | 2024 |
| | U.S. $ in thousands | | |
| | Unaudited | | |
| **Cash Flows from Operating Activities:** | | | |
| Profit for the period | 1,973 | 1,859 | 4,193 |
| Adjustments for: | | | |
| Depreciation and amortization | 563 | 1,046 | 1,370 |
| Equity settled share-based payment expense | 54 | 53 | 106 |
| Loss (Gain) from sale of property, plant and equipment | 134 | (56) | (26) |
| Finance (income) expenses, net | 53 | (312) | (180) |
| Changes in Contingent consideration and Put option liability | - | - | (280) |
| Tax expenses | 295 | 444 | 619 |
| Changes in operating assets and liabilities: | | | |
| Decrease (increase) in inventories | (820) | (751) | (749) |
| Decrease (increase) in trade receivables | 1,758 | 963 | (2,171) |
| Decrease (increase) in other accounts receivables | 905 | (257) | (319) |
| Decrease (increase) in unbilled revenues | (1,803) | (339) | 990 |
| Increase (decrease) in trade and other accounts payables | (258) | (1,256) | 192 |
| Increase (decrease) in employee benefits, net | 55 | 35 | 67 |
| **Cash from operations** | 2,909 | 1,429 | 3,812 |
| Interest received | 19 | 69 | 109 |
| Interest paid | (54) | (39) | (79) |
| Income tax | (341) | 65 | (780) |
| **Net cash provided by operating activities** | 2,533 | 1,524 | 3,062 |

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

**MTI WIRELESS EDGE LTD.**

**(An Israeli Corporation)**

**INTERIM CONSOLIDATED STATEMENTS OF**

**CASH FLOWS (cont.)**

| | Six month period ended June 30, | | Year ended December 31, |
|---|---|---|---|
| | 2025 | 2024 | 2024 |
| | U.S. $ in thousands | | |
| | Unaudited | | |
| **Cash Flows from Investing Activities:** | | | |
| Proceeds from sale of property, plant and equipment | - | 56 | 56 |
| Purchase of property, plant and equipment | (369) | (370) | (891) |
| **Net cash used in investing activities** | (369) | (314) | (835) |
| **Cash Flows from Financing Activities:** | | | |
| Dividend paid | (2,922) | (2,745) | (2,745) |
| Payments of lease liabilities | (176) | (485) | (364) |
| Treasury shares acquired | - | (551) | (1,165) |
| Receipt of short term loans from banks, net | 122 | 168 | 14 |
| Repayment of long-term loans from banks | (8) | (9) | (101) |
| **Net cash provided by /(used in) financing activities** | (2,984) | (3,622) | (4,361) |
| **(Decrease)/Increase in cash and cash equivalents during the period** | (820) | (2,412) | (2,134) |
| **Cash and cash equivalents at the beginning of the period** | 6,269 | 8,454 | 8,454 |
| **Exchange differences on balances of cash and cash equivalents** | 52 | (36) | (51) |
| **Cash and cash equivalents at the end of the period** | 5,501 | 6,006 | 6,269 |

**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 statements as of June 30, 2025 have not been audited.

The interim consolidated financial information should be read in conjunction with the annual financial statements as of December 31, 2024 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, 2024 are applied consistently in these interim consolidated financial statements.

**NOTE 3 – REVENUES:**

| | Six month period ended June 30, | | Year ended December 31, |
|---|---|---|---|
| | 2025 | 2024 | 2024 |
| | U.S. $ in thousands | | |
| | Unaudited | | |
| **Revenues arise from:** | | | |
| Sale of goods* | 17,189 | 16,183 | 32,827 |
| Rendering of services** | 3,120 | 3,854 | 8,075 |
| Projects** | 3,829 | 2,290 | 4,671 |
| | 24,138 | 22,327 | 45,573 |

(*) 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, 2025 and 2024 respectively and for the year ended December 31, 2024.

**Six month period ended June 30, 2025 (Unaudited):**

| | Antennas | Water Solutions | Distribution & Consultation Services | Adjustment & Elimination | Total |
|---|---|---|---|---|---|
| | U.S. $ in thousands | | | | |
| *Revenues* | | | | | |
| External | 8,239 | 8,311 | 7,588 | - | 24,138 |
| Internal | 29 | - | 285 | (314) | - |
| Total | 8,268 | 8,311 | 7,873 | (314) | 24,138 |
| Segment profit | 696 | 814 | 708 | 269 | 2,487 |
| Finance expense (income), net | | | | | 219 |
| Tax expenses | | | | | 295 |
| Profit | | | | | 1,973 |

**June 30, 2025:**

| | Antennas | Water Solutions | Distribution & Consultation Services | Adjustment & Elimination | Total |
|---|---|---|---|---|---|
| | U.S. $ in thousands | | | | |
| *Segment assets* | 16,220 | 12,454 | 13,363 | - | 42,037 |
| *Unallocated assets* | | | | | 2,250 |
| *Segment liabilities* | 5,145 | 3,944 | 5,619 | - | 14,708 |
| *Unallocated liabilities* | | | | | 956 |

**NOTE 4 - OPERATING SEGMENTS (CONT.):**

**Six month period ended 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 expense (income), net | | | | | (58) |
| Tax expenses | | | | | 444 |
| Profit | | | | | 1,859 |

**June 30, 2024:**

| | 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 |

**Year ended December 31, 2024**

| | Antennas | Water Solutions | Distribution & Consultation | Eliminations | Total |
|---|---|---|---|---|---|
| | U.S. $ in thousands | | | | |
| *Revenues* | | | | | |
| External | 14,136 | 16,888 | 14,549 | - | 45,573 |
| Inter-segment | - | - | 296 | (296) | - |
| *Total* | 14,136 | 16,888 | 14,845 | (296) | 45,573 |
| *Segment profit* | 1,311 | 2,307 | 471 | 423 | 4,512 |
| Finance income, net | | | | | 300 |
| Profit before tax | | | | | 4,812 |
| Tax expenses | | | | | 619 |
| Profit | | | | | 4,193 |

**NOTE 4 - OPERATING SEGMENTS (CONT.):**

**December 31, 2024:**

| | Antennas | Water Solutions | Distribution & Consultation | Eliminations | Total |
|---|---|---|---|---|---|
| | U.S. $ in thousands | | | | |
| *Segment assets* | 17,404 | 13,406 | 11,672 | - | 42,482 |
| *Unallocated assets* | | | | | 2,295 |
| *Segment liabilities* | 5,363 | 4,618 | 4,394 | - | 14,375 |
| *Unallocated liabilities* | | | | | 894 |

**NOTE 5 – SIGNIFICANT EVENTS:**

A. The Board of directors declared a cash dividend of 3.3 US cents per share being approximately $2,922,000. This dividend was paid on 11 April 2025 to shareholders on the register at the close of trading on 28 March 2025.

B. The financial statements for the year ended 31 December 2024 were authorized for issue by the board as a whole following their approval on 16 March 2025.

C. 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 have decided to continue with the Programme for several further periods and to increase the maximum value of the Programme up to £1,000,000, plus any additional funds received from dividends or profits from selling the shares, although the current intention is to hold the Ordinary Shares purchased for a longer period of time. The Programme is currently in place until the end of March 2026 and as at 30 June 2025, 2,343,000 Ordinary Shares were held in treasury under the Programme.

D. On 7 October 2023 Israel was attacked by the Hamas terror organization leading to war in the Gaza region. 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 5 – SIGNIFICANT EVENTS (CONT.):**

E. On 6 May 2025, MTI announced that its subsidiary MTI Summit had increased its ownership of its subsidiary P.S.K Wind Technologies Ltd. ("PSK") via a new equity investment (by issuance of shares in PSK) of NIS 600,000 (approximately US$170,000) (the "Investment"). Following the Investment, the Group owns 60% of PSK. Previously, on 4 January 2022, MTI announced that MTI Summit had acquired 51% of PSK (the "Acquisition"). In addition to the Acquisition, an earn out mechanism was in place under which further consideration could potentially be payable to the vendors of PSK (the "Earn Out") and that MTI Summit has an option to purchase and the vendors of PSK have an option to sell to MTI Summit the remaining 49% of PSK (the "Option") starting from 2027. The Earn Out has now lapsed and no further consideration is payable to the vendors of PSK. Following the Investment, the Option has been modified to reflect that the vendors' holding in PSK is now 40%. The remaining terms of the Option remain as set out in MTI's announcement of 4 January 2022.

F. On 20 June 2025 Mr. Zvi Borovitz, the Company's founder and Chairman of the board, passed.