

13 March 2023

MTI Wireless Edge Ltd
("MTI", the "Company" or the "Group")

Final results for 2022
and
Extension of the Company's share repurchase programme

MTI Wireless Edge Ltd (AIM:MWE), the technology group focused on comprehensive communication and radio frequency solutions across multiple sectors, is pleased to announce its audited results for the year ended 31 December 2022.

2022 Highlights

A strong financial performance in 2022

- Delivered revenue growth of 7% to US\$46.3m (2021: US\$43.2m)
- A 12% increase in adjusted EBITDA to US\$6.06m (2021: US\$5.4m), helped by the economies of scale from the increasing size of the Group
- Profit from operations increased 4% to US\$4.59m (2021: US\$4.42m), including some one off costs related to the acquisition of PSK
- Net profit growth of 4% to US\$3.85m (2021: US\$3.7m)
- Earnings per share increased by 3% to 4.21 US cents (2021: 4.07 US cents)
- Net cash of US\$8.1m at 31 December 2022 (31 December 2021: US\$12.5m), after significant expenditure (together totalling approximately \$7m) comprising:
 - the initial net consideration paid in respect of PSK
 - the Group's exit from its Russian operations
 - the dividend paid in March 2022

offset by US\$3.59m of net cash generated from operating activities.

- Increased final dividend of 7% to 3.0 US cents per share (2021: 2.8 US cents per share)

Sales growth and future growth drivers established across all three divisions

- Antennas – completed a successful year with 3% revenue growth in 2022 and the prospect of increasing revenues in 2023. Sale of commercial antennas increased with unanticipated demand for legacy fixed wireless access antennas, combined with increasing sales of the 5G backhaul solutions and the ABS® antenna solution to counter small mast movements, attracting strong interest from three tier one customers and several tier two customers.
- Water management – delivered 3% revenue growth with price increases agreed in 2022 that will improve revenues and profitability in 2023. Water scarcity remains a fundamental issue, resulting in increasing demand for Mottech's expanding product range through good organic growth amongst existing clients and expansion of the customer base into new markets.
- Distribution – another good year with 16% revenue growth driven by Governments worldwide seeking to increase their investment in defence. A very successful first year for PSK as part of the Group, with it securing the Group's most valuable ever contract. Design wins, especially military solutions, position this division well for another good year in 2023.

Moni Borovitz, Chief Executive Officer of MTI Wireless Edge, said: “We made good progress this year with all three divisions growing revenue and overall profits despite challenges in the supply chain and volatile foreign exchange movements. Our latest acquisition, PSK, has integrated well, recently winning our largest ever contract. We are seeing compelling opportunities in all segments of our operations. In particular, the opening of the Indian market for E-Band 5G backhaul, which represents a substantial opportunity for us over the medium term.

“Looking ahead, the business continues to be in a strong financial position with net cash of US\$8.1m at the year end. The Group’s three divisions are well established, with experienced, independent leadership teams and all utilising the Group’s core expertise in radio frequency communications technology. The macro trends for all three remain positive: from the continuing roll-out of 5G cellular connectivity; to tackling the growing global issue of water scarcity; and the significant increases in international defence spending. The first two months of 2023 have been in line with internal expectations and judging from the pipeline of potential opportunities, the Group is well placed, supported by a strong financial platform, to continue to seek to expand through a mix of acquisition-led and organic growth.”

Shareholder presentation

Moni Borovitz, Chief Executive Officer, will provide an investor presentation relating to the Company's financial results for the year ended 31 December 2022 via the Investor Meet Company (“**IMC**”) platform today at 10.00 am UK time.

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

Investors who have already registered on IMC and added to meet the Company, will be automatically invited to the meeting.

Shareholders should note that the Company will not post hard copies of its audited annual report and accounts for the year ended 31 December 2022 (the "**Annual Report**") to its shareholders. Shareholders who require a hard copy of the Annual Report may write to the Company at MTI Wireless Edge Ltd Headquarters, 11 Hamelacha St. Afek Industrial Park, Rosh-Ha'Ayin, Israel requesting a hard copy. An electronic version of the Annual Report will shortly be available on the Company's website at the following address: www.mtiwirelessedge.com

Extension of Company’s share repurchase programme

The Company is pleased to announce that it will continue its programme to conduct market purchases of its ordinary shares of par value 0.01 Israeli Shekels each (the "**Ordinary Shares**") in the Company up to a maximum value of £200,000 (the "**Share Repurchase Programme**"). The Share Repurchase Programme commenced on 28 January 2019, was originally in place until no later than 26 July 2019 and was subsequently extended until 31 March 2023. At a recent meeting, the board of directors of the Company decided to extend the Share Repurchase Programme until 31 March 2024. The Share Repurchase Programme shall continue under the same terms and conditions originally announced by the Company on 13 April 2022.

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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 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.

Chairman's statement

I am pleased to report on a successful year in which the Group delivered growth at all levels. This is especially pleasing, given the business has had to adapt to changing market conditions, following the commencement of hostilities in Ukraine and the associated negative global economic impact this had.

We have further developed the Group's Environmental, Social and Governance ("ESG") policies with the aim of making MTI a truly excellent company to work for and be associated with. We are committed to building a diverse team and to ensuring inclusive representation at all levels. The Company's character comes from the people within the business, and we aim to ensure our workplaces are educational, open, friendly environments that encourage debate, are inclusive and diverse, and ultimately enable our people to work harmoniously.

Through Mottech the Company is naturally focused on eradicating hunger with its systems helping to increase agricultural production through more effective water usage. In addition, Mottech is focused on clean water and sanitation, with its water management systems seeking to preserve and re-use water. We also believe the Company's innovative antenna technology plays a part in connecting the unconnected, providing easier access to information and services to rural areas. 5G enables new ways of doing things, such as receiving a medical consultation online and many other activities which used to be solely conducted face to face, some of which are yet to be discovered and all with reduced pollution, by using video and other remote means of connectivity.

Trading overview

MTI is a well-balanced business, with its three successful divisions all performing well and delivering on their respective growth strategies. The Company grew in terms of both sales and profits and it is noteworthy that this was delivered despite the ongoing impact of the global chip shortage, representing key components required in nearly all of the products and solutions sold.

In 2022, the Group took the decision to exit its Russian operations following the invasion of the Ukraine, but it also expanded through acquisition with the purchase of PSK WIND Technologies Ltd. ("PSK"), which, to date, has been a highly successful transaction for the Company.

The Company also continued to invest in innovative new technologies, most notably in the ongoing development of the new automatic beam steering ("ABS[®]") antenna solution for the 5G backhaul market. The ABS[®] antenna solution is designed to counter small antenna mast movements that distort the signal, caused by wind and changes in temperature, which was an industry wide challenge. The ABS[®] antenna solution has brought significant interest from three tier one customers and several tier two customers.

Dividend

Reflecting the strength of the Company's trading performance the Board is pleased to declare a final dividend of US\$0.03 per share representing a 7% increase on the previous year (2022: US\$0.028). The dividend will be paid on 6 April 2023 to shareholders on the register at the close of trading on 24 March 2023 (ex-dividend on 23 March 2023). The currency translation into British Pounds will be made on 27 March 2023 and there will not be a scrip dividend alternative.

People

The MTI teams around the globe all performed very well in the year, maintaining very high operational levels and delivering margin progression. Our teams are working towards agreed targets and exploiting new opportunities with both existing and new customers.

I would, as always, like to thank our employees for their significant contribution to the Company during 2022. Our workplaces were less disrupted than in the COVID pandemic years of 2020 and 2021, but there were still a number of challenges which all the teams worked hard to overcome.

Outlook

MTI is a growth business operating in growth markets. Our products and services are in good demand across all three divisions. We continue to invest in innovation, product development and new companies when the opportunities arise, whilst always remaining focused on radio frequency communications which lies at the heart of our success.

2023 has started well for the Company with an increased pipeline of opportunities across all of our three divisions. We are looking forward to delivering another year of growth and increased returns for our shareholders.

Zvi Borovitz

Chairman

Chief Executive's review

Introduction

2022 was a successful year for the Company. The Company's business grew despite uncertainties created by the conflict in Ukraine and the global shortage in microchips. Each division, under their respective management teams, made good progress, retaining and expanding their customer bases and growing their businesses overall. As a result, entering 2023, the Company is well placed to continue to invest in people, innovation and new products, alongside generating attractive returns for shareholders.

Financial results

Revenues for the twelve months to 31 December 2022 increased by 7% to US\$46.3m (2021: US\$43.2m), a positive performance.

Our gross margin rates remained solid, reflecting the mix of products sold in different markets. Overall gross margin was slightly improved and gross profit grew by 8% which showcased the Group's ability to pass most of its price increases onto customers.

Operating profit increased by 4% to US\$4.59m (2021: US\$4.43m), which demonstrated the scalability of our business, after including about \$200K of nonrecurring expenses related to the PSK acquisition. Adjusted EBITDA grew 12% to US\$6.06m (2021: US\$5.4m).

Cash flow generated from operations for 2022 was US\$3.6m compared to US\$6.6m in 2021 which included the impact on cash due to the disposal of our Russian operations. This resulted in a net cash balance of approximately US\$8.1 million (2021: US\$12.5m) after the disposal of Russian operations, payment for the acquisition of PSK and the dividend payment (altogether around US\$7m).

The Company continues to have a share buy-back programme in place. The objective of this programme is to assist with trading liquidity, by accumulating shares in treasury through market purchases and then selling blocks of shares to institutional shareholders, subject to demand and price.

Cash generated from any resales of purchased shares has been reused for further share purchases, and this policy is planned to continue for as long as the programme is in place. As at 12 March 2023, 150,000 shares were held in treasury. As noted above the board recently decided to extend the Share Repurchase Programme (on the same terms and conditions originally announced by the Company on 13 April 2022) until 31 March 2024.

Operational review

Over the last 50 years MTI has established its reputation as a global provider of comprehensive radio frequency solutions across multiple sectors through three core divisions.

Antennas

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.

In 2022, revenues from this division increased by 3%, a good result reflecting increasing demand for the 5G backhaul solution and, slightly unexpectedly, an increase in demand for legacy antennas for fixed wireless access. Military sales were relatively subdued but enquiry levels are high and sales in RFID were in line. Overall, a strong performance.

5G sales continue to grow and now represent over 20% of the antenna business. The division's backhaul solution has been well proven and is positioned to generate significant long-term revenues alongside the roll-out of 5G networks globally by the major mobile phone operators. A process that is still in its infancy.

2022 saw the opening of the Indian market for E-Band 5G backhaul and, given the size of the market, this represents a substantial opportunity. MTI is well positioned in India having an established manufacturing facility in it. In Q4 of 2022, there was intense activity and some good early revenues, however, order volumes are expected to be sporadic, at least initially, but there is no doubt regarding the scale of the overall opportunity.

The ABS® antenna solution which ensures the antenna adapts to any small movements caused by different climate conditions, including wind or temperature, is making excellent progress. This critical innovation that solves an industry wide problem has brought MTI to the attention of three tier one radio manufacturers and several tier two customers, which serve most of the global mobile operators, including one whom had not previously worked with the Group. All are in various customisation processes with the ABS® antenna solution, in advance of production.

Sales of legacy antenna for fixed wireless access had been in natural decline but, slightly unexpectedly, demand in 2022 increased for the use of these antennas in Access Wi-Fi solutions serving mainly stadiums, shopping malls and other high-density areas where thousands of people require mobile connectivity but can't access their networks due to lack of bandwidth.

Military antenna sales were slower than anticipated but given the very high enquiry levels and the overall increase in military spending, this is expected to reverse quite sharply.

Water Control & Management

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.

Mottech had another good year, delivering revenue growth of 3%, despite some adverse currency movements. Profit margins were slightly weaker compared to prior periods, however, the price increases accepted in 2022 will feed through into 2023, alongside increased service prices which will ensure profit margin recovery. Recurring revenues continued to improve and represented 20% of all income in 2022.

Mottech continues to seek to innovate and expand its services to existing and new clients. For over 30 years, Mottech has been providing irrigation services for a number of municipalities in Israel, ensuring efficient water usage across public parkland and green open spaces. Earlier in 2022, Mottech expanded its services into a new area for an Israeli municipality, with a US\$0.5 million contract to monitor and partially control over 30 city fountains under one system which is becoming part of a smart city managing its operations from one control and monitoring room. Historically the fountains were operated individually. Fountain management represents a new and natural extension to Mottech's current services.

The strategic partnership with Viridix continues to develop since being announced in January 2022. It provides the Autopilot solution that measures the water available to the roots of plants and therefore enables greater irrigation precision. This is now beginning to be adopted into cities whereas historically it was solely focused on agricultural projects.

Water scarcity continues to be a very real global problem and Governments are increasingly aware of the importance of not wasting this vital resource. Mottech's solutions can make a substantial difference - often able to save a farmer or a city up to 30% in water usage, while helping the farmer to grow more crops at a better level of quality. This level of impact ensures that demand for Mottech's services will continue to be strong.

Distribution & Professional Consulting Services

Operating under the MTI Summit Electronics brand ("**MTI Summit**"), 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.

2022 was another very strong year for MTI Summit, continuing an excellent track record of growth and development. Revenues grew by 16% including the acquisition of PSK in January 2022. The increased profits have come from a healthy balance between PSK and MTI Summit.

The acquisition of 51% of PSK has been a good investment. The Group was familiar with the PSK business, having collaborated on numerous projects together over the last 10 years. PSK specialises in the development, manufacture and integration of communication systems and advanced monitoring and control systems for the Government and defence industry market. Integrating the teams is progressing successfully and since the acquisition there have been a series of contract wins, including the Group's most valuable ever contract expected to be worth up to US\$10 million over the next up to seven years. The contract provides service and maintenance support to the Israeli Ministry of Defence.

The pipeline for MTI Summit and PSK is promising. PSK has a series of tenders coming up in 2023 for which it is well placed to be successful. Similarly, MTI Summit has continued to complete a number of design wins for both existing and new customers, which are likely to generate future sales. For both businesses, the wider backdrop of increased defence spending by governments globally creates a strong market environment to operate in.

In March 2022, following the start of the conflict in Ukraine, the Board took the decision to sell the Company's Russian business unit to that business' management team.

Outlook

The conflict in Ukraine has led directly to a significant increase in defence budgets. This increase in spend is yet to come through and with approximately 37% of the Group's sales being defence related, it is likely that this trend will have a positive impact on the Company's financial performance in 2023.

Overall, MTI remains well positioned across three divisions, with each division backed by strong macro trends underpinning their future prosperity. The first two months of 2023 have been in line with internal expectations and judging from the pipeline of potential opportunities, the Group is well placed, supported by a strong financial platform, to continue to seek to expand through a mix of acquisition-led and organic growth.

Moni Borovitz

Chief Executive Officer