

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.