

Dissemination of a Regulatory Announcement that contains inside information according to REGULATION (EU) No 596/2014 (MAR)

25 November 2019

MTI Wireless Edge Ltd

(“MTI” or the “Company”)

Financial results for the nine months ended 30 September 2019

MTI Wireless Edge Ltd (AIM: MWE), the technology group focused on comprehensive communication and radio frequency solutions across multiple sectors, today announces its unaudited results for the nine months ended 30 September 2019.

Highlights

- Revenues increased by 12% to \$29.0m (nine months ended 30 September 2018: \$25.9m)
- Operating profit increased 33% to \$2.5m (nine months ended 30 September 2018: \$1.9m)
- Profit before tax increased 44% to \$2.43m (nine months ended 30 September 2018: \$1.7m)
- Earnings per share increased 30% to 2.36 US cents (nine months ended 30 September 2018: 1.8 US cents)
- Shareholder’s equity grew during the period to \$21.5m (30 September 2018: \$19.9m), equivalent to 19 pence per share*
- Cash flow from operations increased 155% year-on-year to \$3.96m (nine months ended 30 September 2018: \$1.55m) providing a net cash balance of \$6.2m on 30 September 2019.

** Converted at 1.28 US Dollar/1 British Pound.*

Moni Borovitz, CEO of MTI, commented:

"We continued to perform in accordance with our business plan, delivering significant revenue growth and increased profitability, whilst at the same time converting this growth into operating cash flow.

In 2019, we have seen significant growth in the Company’s order book across all three of our business divisions, being: the Antenna Division, the Water Control & Management Division and the Distribution & Professional Consulting Services Division.

The integration of the newly acquired (50%) distributor for water management solutions in Australia is going well and has already increased our profitability in the third quarter of 2019. We are now focused on expanding Mottech’s business across the continent and further into China following a substantial contract win in May.

Our Distribution & Professional Consulting Services Division continues to show remarkable revenue growth this year, as projects that we have designed solutions for have started to mature, and we expect to see more design wins convert into revenue in the future.

We are seeing substantial demand for 5G antenna solutions and we continue to make solid progress in the testing of our 5G antenna offering with OEM vendors as mobile operators plan and implement their network upgrades. We believe that this demand for 5G broadband has the potential to provide substantial future growth for our business.

We are very positive about the outlook for the business. Key drivers for the business are showing positive trends, including the demand for efficient water management solutions, increased defence budgets and the demand for broadband, provide us with confidence in meeting our goals of increasing revenue, profits and free cash flow".

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About MTI Wireless Edge Ltd

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.