

**MTI WIRELESS EDGE LTD.**

**(An Israeli Corporation)**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

**AS OF MARCH 31, 2023**

# **MTI WIRELESS EDGE LTD.**

**(An Israeli Corporation)**

## **INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

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

|   | <b>Three month period ended</b> |              | <b>Year ended</b>   |
|---|---------------------------------|--------------|---------------------|
|   | <b>March 31,</b>                |              | <b>December 31,</b> |
|   | <b>2023</b>                     | <b>2022</b>  | <b>2022</b>         |
| <b>U.S. \$ in thousands</b>   |                                 |              |                     |
| <b>(Except per share data)</b>  |                                 |              |                     |
| <b>Unaudited</b>  |                                 |              |                     |
| Revenues  | 11,285                          | 11,176       | 46,270              |
| Cost of sales   | 7,666                           | 7,685        | 31,680              |
| <b>Gross profit</b>   | <b>3,619</b>                    | <b>3,491</b> | <b>14,590</b>       |
| Research and development expenses   | 293                             | 272          | 1,077               |
| Distribution expenses   | 947                             | 884          | 3,924               |
| General and administrative expenses   | 1,324                           | 1,297        | 4,998               |
| Loss (profit) from sale of property, plant and equipment                          | (10)                            | 9            | 1                   |
| <b>Profit from operations</b>   | <b>1,065</b>                    | <b>1,029</b> | <b>4,592</b>        |
| Finance expenses  | 105                             | 78           | 385                 |
| Finance income  | (155)                           | (23)         | (110)               |
| <b>Profit before income tax</b>   | <b>1,115</b>                    | <b>974</b>   | <b>4,317</b>        |
| Tax expenses  | 233                             | 164          | 468                 |
| <b>Profit</b>   | <b>882</b>                      | <b>810</b>   | <b>3,849</b>        |
| Other comprehensive income (loss) net of tax:                                     |                                 |              |                     |
| <i>Items that will not be reclassified to profit or loss:</i>                     |                                 |              |                     |
| Re-measurement of defined benefit plans   | -                               | -            | 127                 |
| <i>Items that may be reclassified to profit or loss:</i>                          |                                 |              |                     |
| Adjustment arising from translation of financial statements of foreign operations | (98)                            | 24           | (422)               |
| Total other comprehensive income (loss)   | (98)                            | 24           | (295)               |
| <b>Total comprehensive income</b>   | <b>784</b>                      | <b>834</b>   | <b>3,554</b>        |
| <b>Profit attributable to:</b>  |                                 |              |                     |
| Owners of the parent  | 894                             | 786          | 3,721               |
| Non-controlling interests   | (12)                            | 24           | 128                 |
|   | <b>882</b>                      | <b>810</b>   | <b>3,849</b>        |
| <b>Total comprehensive income attributable to:</b>                                |                                 |              |                     |
| Owners of the parent  | 796                             | 810          | 3,426               |
| Non-controlling interests   | (12)                            | 24           | 128                 |
|   | <b>784</b>                      | <b>834</b>   | <b>3,554</b>        |
| <b>Earnings per share (dollars)</b>   |                                 |              |                     |
| Basic and Diluted (dollars per share)   | 0.0101                          | 0.0089       | 0.0421              |
| <b>Weighted average number of shares outstanding</b>                              |                                 |              |                     |
| Basic and Diluted (dollars per share)   | 88,510,072                      | 88,501,084   | 88,444,356          |

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 three month period ended March 31, 2023 (Unaudited):**

|  | <b>Attributable to owners of the parent</b> |   |                                    |                              |   |  |                         |
|--|---|---|------------------------------------|------------------------------|---|--|-------------------------|
|  | <b>Share<br/>capital</b>                    | <b>Additional<br/>paid-in<br/>capital</b> | <b>Translation<br/>differences</b> | <b>Retained<br/>earnings</b> | <b>Total<br/>attributable<br/>to owners of<br/>the parent</b> | <b>Non-<br/>controlling<br/>interest</b> | <b>Total<br/>equity</b> |
|  | <b>U.S. \$ in thousands</b>                 |   |                                    |                              |   |  |                         |
| <b>Balance at January 1, 2023</b>                                      | 209   | 23,078                                    | (250)                              | 3,775                        | 26,812  | 1,226                                    | 28,038                  |
| <b>Changes during the three month period<br/>ended March 31, 2023:</b> |   |   |                                    |                              |   |  |                         |
| <b>Comprehensive income</b>  |   |   |                                    |                              |   |  |                         |
| Profit for the period  | -   | -   | -                                  | 894                          | 894   | (12)                                     | 882                     |
| <b>Other comprehensive income</b>                                      |   |   |                                    |                              |   |  |                         |
| Translation differences  | -   | -   | (98)                               | -                            | (98)  | -  | (98)                    |
| <b>Total comprehensive income for the period</b>                       | -   | -   | (98)                               | 894                          | 796   | (12)                                     | 784                     |
| Acquisition and disposal of treasury shares                            | -   | 80  | -                                  | -                            | 80  | -  | 80                      |
| Dividend   | -   | -   | -                                  | -                            | -   | -  | -                       |
| <b>Balance at March 31, 2023</b>                                       | 209   | 23,158                                    | (348)                              | 4,669                        | 27,688  | 1,214                                    | 28,902                  |

**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 three month period ended March 31, 2022 (Unaudited):**

|  | Attributable to owners of the parent |                                  |                            |                      |   |                                 |                 |
|--|--------------------------------------|----------------------------------|----------------------------|----------------------|---|---------------------------------|-----------------|
|  | Share<br>capital                     | Additional<br>paid-in<br>capital | Translation<br>differences | Retained<br>earnings | Total<br>attributable<br>to owners of<br>the parent | Non-<br>controlling<br>interest | Total<br>equity |
|  | U.S. \$ in thousands                 |                                  |                            |                      |   |                                 |                 |
| <b>Balance at January 1, 2022</b>                                      | 209                                  | 23,126                           | 172                        | 2,406                | 25,913  | 1,098                           | 27,011          |
| <b>Changes during the three month period<br/>ended March 31, 2022:</b> |                                      |                                  |                            |                      |   |                                 |                 |
| <b>Comprehensive income</b>  |                                      |                                  |                            |                      |   |                                 |                 |
| Profit for the period  | -                                    | -                                | -                          | 786                  | 786   | 24                              | 810             |
| <b>Other comprehensive income</b>                                      |                                      |                                  |                            |                      |   |                                 |                 |
| Translation differences  | -                                    | -                                | 24                         | -                    | 24  | -                               | 24              |
| <b>Total comprehensive income for the period</b>                       | -                                    | -                                | 24                         | 786                  | 810   | 24                              | 834             |
| Acquisition and disposal of treasury shares                            | -                                    | 41                               | -                          | -                    | 41  | -                               | 41              |
| Dividend   | -                                    | -                                | -                          | (2,479)              | (2,479)   | -                               | (2,479)         |
| <b>Balance at March 31, 2022</b>                                       | 209                                  | 23,167                           | 196                        | 713                  | 24,285  | 1,122                           | 25,407          |

**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, 2022:**

|   | Attributable to owners of the parent |                            |                         |                   |  |                           | Total equity |
|---|--------------------------------------|----------------------------|-------------------------|-------------------|--|---------------------------|--------------|
|   | Share capital                        | Additional paid-in capital | Translation differences | Retained earnings | Total attributable to owners of the parent | Non-controlling interests |              |
|   | U.S. \$ in thousands                 |                            |                         |                   |  |                           |              |
| <b>Balance as at January 1, 2022</b>                  | 209                                  | 23,126                     | 172                     | 2,406             | 25,913                                     | 1,098                     | 27,011       |
| <b>Changes during 2022:</b>                           |                                      |                            |                         |                   |  |                           |              |
| <b>Comprehensive income</b>                           |                                      |                            |                         |                   |  |                           |              |
| Profit for the year                                   | -                                    | -                          | -                       | 3,721             | 3,721                                      | 128                       | 3,849        |
| <b>Other comprehensive income</b>                     |                                      |                            |                         |                   |  |                           |              |
| Re measurements on defined benefit plans              | -                                    | -                          | -                       | 127               | 127  | -                         | 127          |
| Translation differences                               | -                                    | -                          | (422)                   | -                 | (422)                                      | -                         | (422)        |
| <b>Total comprehensive income (loss) for the year</b> | -                                    | -                          | (422)                   | 3,848             | 3,426                                      | 128                       | 3,554        |
| Dividend  | -                                    | -                          | -                       | (2,479)           | (2,479)                                    | -                         | (2,479)      |
| Acquisition and disposal of treasury shares (note 26) | -                                    | (48)                       | -                       | -                 | (48)                                       | -                         | (48)         |
| <b>Balance as at December 31, 2022</b>                | 209                                  | 23,078                     | (250)                   | 3,775             | 26,812                                     | 1,226                     | 28,038       |

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

**MTI WIRELESS EDGE LTD.**  
**(An Israeli Corporation)**  
**INTERIM CONSOLIDATED STATEMENTS OF**  
**FINANCIAL POSITION**

|                               | <b>31.03.2023</b>           | <b>31.03.2022</b> | <b>31.12.2022</b> |
|-------------------------------|-----------------------------|-------------------|-------------------|
|                               | <b>U.S. \$ in thousands</b> |                   |                   |
|                               | <b>Unaudited</b>            |                   |                   |
| <b>ASSETS</b>                 |                             |                   |                   |
| <b>CURRENT ASSETS:</b>        |                             |                   |                   |
| Cash and cash equivalents     | 8,640                       | 6,517             | 8,279             |
| Trade and other receivables   | 10,384                      | 11,201            | 11,035            |
| Unbilled revenue              | 3,597                       | 3,542             | 2,204             |
| Current tax receivables       | 467                         | 281               | 549               |
| Inventories                   | 7,502                       | 6,622             | 7,757             |
|                               | <b>30,590</b>               | <b>28,163</b>     | <b>29,824</b>     |
| <b>NON-CURRENT ASSETS:</b>    |                             |                   |                   |
| Long term prepaid expenses    | 32                          | 43                | 39                |
| Property, plant and equipment | 5,415                       | 5,710             | 5,573             |
| Deferred tax assets           | 1,140                       | 1,123             | 1,163             |
| Intangible assets             | 3,819                       | 4,057             | 3,858             |
|                               | <b>10,406</b>               | <b>10,933</b>     | <b>10,633</b>     |
| <b>Total assets</b>           | <b>40,996</b>               | <b>39,096</b>     | <b>40,457</b>     |

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

**MTI WIRELESS EDGE LTD.****(An Israeli Corporation)****INTERIM CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION**

|   | <u>31.03.2023</u>           | <u>31.03.2022</u> | <u>31.12.2022</u> |
|---|-----------------------------|-------------------|-------------------|
|   | <u>U.S. \$ In thousands</u> |                   |                   |
|   | <u>Unaudited</u>            |                   |                   |
| <b>LIABILITIES AND EQUITY</b>                           |                             |                   |                   |
| <b>CURRENT LIABILITIES:</b>                             |                             |                   |                   |
| Current maturities and short term bank credit and loans | 76                          | 11                | 43                |
| Trade payables  | 5,465                       | 6,167             | 5,739             |
| Other accounts payable                                  | 3,638                       | 4,367             | 3,627             |
| Current tax payables                                    | 433                         | 374               | 425               |
|   | <u>9,612</u>                | <u>10,919</u>     | <u>9,834</u>      |
| <b>NON- CURRENT LIABILITIES:</b>                        |                             |                   |                   |
| Contingent consideration                                | 1,432                       | 1,432             | 1,432             |
| Lease liabilities                                       | 206                         | 360               | 303               |
| Loans from banks, net of current maturities             | 91                          | 15                | 98                |
| Employee benefits, net                                  | 753                         | 963               | 752               |
|   | <u>2,482</u>                | <u>2,770</u>      | <u>2,585</u>      |
| <b>Total liabilities</b>                                | <u>12,094</u>               | <u>13,689</u>     | <u>12,419</u>     |
| <b>EQUITY</b>   |                             |                   |                   |
| <b>Equity attributable to owners of the parent</b>      |                             |                   |                   |
| Share capital   | 209                         | 209               | 209               |
| Additional paid-in capital                              | 23,158                      | 23,167            | 23,078            |
| Translation differences                                 | (348)                       | 196               | (250)             |
| Retained earnings                                       | 4,669                       | 713               | 3,775             |
|   | <u>27,688</u>               | <u>24,285</u>     | <u>26,812</u>     |
| Non-controlling interest                                | 1,214                       | 1,122             | 1,226             |
| <b>Total equity</b>                                     | <u>28,902</u>               | <u>25,407</u>     | <u>28,038</u>     |
| <b>Total equity and liabilities</b>                     | <u>40,996</u>               | <u>39,096</u>     | <u>40,457</u>     |

May 16, 2023

Date of approval of  
financial statementsMoshe Borovitz  
Chief Executive OfficerElhanan Zeira  
ControllerZvi Borovitz  
Non-executive Chairman  
of the Board**The accompanying notes form an integral part of the financial statements.**



**MTI WIRELESS EDGE LTD.**

(An Israeli Corporation)

**INTERIM CONSOLIDATED STATEMENTS OF**

**CASH FLOWS**

|  | <b>Three month period ended</b> |             | <b>Year ended</b>   |
|--|---------------------------------|-------------|---------------------|
|  | <b>March 31,</b>                |             | <b>December 31,</b> |
|  | <b>2023</b>                     | <b>2022</b> | <b>2022</b>         |
|  | <b>U.S. \$ in thousands</b>     |             |                     |
|  | <b>Unaudited</b>                |             |                     |
| <b>Cash Flows from Operating Activities:</b>             |                                 |             |                     |
| Profit for the period                                    | 882                             | 810         | 3,849               |
| Adjustments for:   |                                 |             |                     |
| Depreciation and amortization                            | 326                             | 327         | 1,466               |
| Loss (Gain) from sale of property, plant and equipment   | (10)                            | 4           | (1)                 |
| Finance (income) expenses, net                           | (33)                            | (9)         | (82)                |
| Tax expenses   | 233                             | 164         | 468                 |
| Changes in operating assets and liabilities:             |                                 |             |                     |
| Decrease (increase) in inventories                       | 247                             | 291         | (951)               |
| Decrease (increase) in trade receivables                 | (181)                           | 262         | (63)                |
| Decrease (increase) in other accounts receivables        | 719                             | (355)       | 590                 |
| Increase in unbilled revenues                            | (1,393)                         | (748)       | (1,134)             |
| Increase (decrease) in trade and other accounts payables | (140)                           | 593         | 572                 |
| Increase (decrease) in employee benefits, net            | 1                               | (9)         | (93)                |
| <b>Cash from operations</b>                              | 651                             | 1,330       | 4,621               |
| Interest received  | 19                              | -           | -                   |
| Interest paid  | (10)                            | (11)        | (52)                |
| Income tax paid  | (122)                           | (407)       | (978)               |
| <b>Net cash provided by operating activities</b>         | 538                             | 912         | 3,591               |

**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.)**

|   | Three month period ended<br>March 31, | Year ended<br>December 31, |
|---|---------------------------------------|----------------------------|
|   | 2023                                  | 2022                       |
|   | U.S. \$ in thousands                  |                            |
|   | Unaudited                             |                            |
| <b>Cash Flows From Investing Activities:</b>                              |                                       |                            |
| Proceeds from sale of property, plant and equipment                       | 11                                    | -                          |
| Acquisition of subsidiary, net of cash acquired                           | -                                     | (1,427)                    |
| Net cash from sale of previously consolidated subsidiaries                | -                                     | (2,785)                    |
| Purchase of property, plant and equipment                                 | <u>(145)</u>                          | <u>(181)</u>               |
| <b>Net cash used in investing activities</b>                              | <u>(134)</u>                          | <u>(4,749)</u>             |
| <b>Cash Flows From Financing Activities:</b>                              |                                       |                            |
| Dividend  | -                                     | (2,479)                    |
| Payments of lease liabilities   | (116)                                 | (123)                      |
| Treasury shares acquired  | -                                     | -                          |
| Treasury shares sold  | 80                                    | 41                         |
| Repayment of long-term loans from banks                                   | <u>27</u>                             | <u>(4)</u>                 |
| <b>Net cash used in financing activities</b>                              | <u>(9)</u>                            | <u>(2,969)</u>             |
| <b>(Decrease)/Increase in cash and cash equivalents during the period</b> | 395                                   | (4,127)                    |
| <b>Cash and cash equivalents at the beginning of the period</b>           | 8,279                                 | 12,567                     |
| <b>Exchange differences on balances of cash and cash equivalents</b>      | <u>(34)</u>                           | <u>(161)</u>               |
| <b>Cash and cash equivalents at the end of the period</b>                 | <u>8,640</u>                          | <u>8,279</u>               |

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 information set out above does not constitute full year-end accounts within the meaning of Israeli Companies Law. It has been prepared on the going concern basis in accordance with the recognition and measurement criteria of the International Financial Reporting Standards (IFRS). Statutory financial information for the financial year ended December 31, 2022 was approved by the board on March 12, 2023. The report of the auditors on those financial statements was unqualified.

The interim consolidated financial statements as of March 31, 2023 have not been audited.

The interim consolidated financial information should be read in conjunction with the annual financial statements as of December 31, 2022 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, 2022 are applied consistently in these interim consolidated financial statements.

**MTI WIRELESS EDGE LTD.**

(An Israeli Corporation)

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 3 – REVENUES:**

|                             | <b>Three month period ended<br/>March 31,</b> |             | <b>Year ended<br/>December 31,</b> |
|-----------------------------|---|-------------|------------------------------------|
|                             | <b>2023</b>                                   | <b>2022</b> | <b>2022</b>                        |
|                             | <b>U.S. \$ in thousands</b>                   |             |                                    |
|                             | <b>Unaudited</b>                              |             |                                    |
| <b>Revenues arise from:</b> |   |             |                                    |
| Sale of goods*              | 8,284   | 9,135       | 34,618                             |
| Rendering of services**     | 1,465   | 1,713       | 8,334                              |
| Projects**                  | 1,536   | 328         | 3,318                              |
|                             | 11,285  | 11,176      | 46,270                             |

(\*) 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 three month period ended March 31, 2023 and 2022 respectively and for the year ended December 31, 2022.

**Three month period ended March 31, 2023 (Unaudited):**

|                               | <b>Antennas</b>             | <b>Water<br/>Solutions</b> | <b>Distribution &amp;<br/>Consultation<br/>Services</b> | <b>Adjustment &amp;<br/>Elimination</b> | <b>Total</b> |
|-------------------------------|-----------------------------|----------------------------|---|---|--------------|
|                               | <b>U.S. \$ in thousands</b> |                            |   |   |              |
| <i>Revenues</i>               |                             |                            |   |   |              |
| External                      | 2,945                       | 4,509                      | 3,831   | -                                       | 11,285       |
| Internal                      | -                           | -                          | 88  | (88)                                    | -            |
| Total                         | 2,945                       | 4,509                      | 3,919   | (88)                                    | 11,285       |
| Segment profit (loss)         | 117                         | 493                        | 336   | 119                                     | 1,065        |
| Finance expense (income), net |                             |                            |   |   | (50)         |
| Tax expenses                  |                             |                            |   |   | 233          |
| Profit                        |                             |                            |   |   | 882          |

**March 31, 2023:**

|                                | <b>Antennas</b>             | <b>Water<br/>Solutions</b> | <b>Distribution &amp;<br/>Consultation<br/>Services</b> | <b>Adjustment &amp;<br/>Elimination</b> | <b>Total</b> |
|--------------------------------|-----------------------------|----------------------------|---|---|--------------|
|                                | <b>U.S. \$ in thousands</b> |                            |   |   |              |
| <i>Segment assets</i>          | 16,746                      | 10,685                     | 11,090  | -                                       | 38,521       |
| <i>Unallocated assets</i>      |                             |                            |   |   | 2,475        |
| <i>Segment liabilities</i>     | 4,417                       | 2,415                      | 4,649   | -                                       | 11,481       |
| <i>Unallocated liabilities</i> |                             |                            |   |   | 613          |

**MTI WIRELESS EDGE LTD.**

(An Israeli Corporation)

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

**Three month period ended March 31, 2022 (Unaudited):**

|                       | <u>Antennas</u>             | <u>Water Solutions</u> | <u>Distribution &amp; Consultation Services</u> | <u>Adjustment &amp; Elimination</u> | <u>Total</u>  |
|-----------------------|-----------------------------|------------------------|---|-------------------------------------|---------------|
|                       | <b>U.S. \$ in thousands</b> |                        |   |                                     |               |
| <i>Revenues</i>       |                             |                        |   |                                     |               |
| External              | 2,728                       | 4,258                  | 4,190   | -                                   | 11,176        |
| Internal              | -                           | -                      | 49  | (49)                                | -             |
| <b>Total</b>          | <b>2,728</b>                | <b>4,258</b>           | <b>4,239</b>                                    | <b>(49)</b>                         | <b>11,176</b> |
| Segment profit (loss) | <u>(132)</u>                | <u>396</u>             | <u>742</u>                                      | <u>25</u>                           | <u>1,031</u>  |
| Finance expense, net  |                             |                        |   |                                     | 63            |
| Tax expenses          |                             |                        |   |                                     | 164           |
| Profit                |                             |                        |   |                                     | <u>804</u>    |

**March 31, 2022:**

|                                | <u>Antennas</u>             | <u>Water Solutions</u> | <u>Distribution &amp; Consultation Services</u> | <u>Adjustment &amp; Elimination</u> | <u>Total</u>  |
|--------------------------------|-----------------------------|------------------------|---|-------------------------------------|---------------|
|                                | <b>U.S. \$ in thousands</b> |                        |   |                                     |               |
| <i>Segment assets</i>          | <u>13,770</u>               | <u>11,892</u>          | <u>12,020</u>                                   | <u>-</u>                            | <u>37,682</u> |
| <i>Unallocated assets</i>      |                             |                        |   |                                     | <u>3,419</u>  |
| <i>Segment liabilities</i>     | <u>3,558</u>                | <u>4,804</u>           | <u>6,193</u>                                    | <u>-</u>                            | <u>14,555</u> |
| <i>Unallocated liabilities</i> |                             |                        |   |                                     | <u>1,145</u>  |

**Year ended December 31, 2022**

|                      | <u>Antennas</u>             | <u>Water Solutions</u> | <u>Distribution &amp; Consultation Services</u> | <u>Adjustment &amp; Elimination</u> | <u>Total</u>  |
|----------------------|-----------------------------|------------------------|---|-------------------------------------|---------------|
|                      | <b>U.S. \$ in thousands</b> |                        |   |                                     |               |
| <i>Revenues</i>      |                             |                        |   |                                     |               |
| External             | 11,627                      | 18,196                 | 16,447  | -                                   | 46,270        |
| Inter-segment        | -                           | -                      | 215   | (215)                               | -             |
| <b>Total</b>         | <b>11,627</b>               | <b>18,196</b>          | <b>16,662</b>                                   | <b>(215)</b>                        | <b>46,270</b> |
| Segment profit       | <u>337</u>                  | <u>1,838</u>           | <u>2,321</u>                                    | <u>96</u>                           | <u>4,592</u>  |
| Finance expense, net |                             |                        |   |                                     | 275           |
| Tax expenses         |                             |                        |   |                                     | 468           |
| Profit               |                             |                        |   |                                     | <u>3,849</u>  |

**MTI WIRELESS EDGE LTD.**

**(An Israeli Corporation)**

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

**December 31, 2022:**

|                                | <b>Antennas</b>             | <b>Water Solutions</b> | <b>Distribution &amp; Consultation</b> | <b>Adjustment &amp; Elimination</b> | <b>Total</b>  |
|--------------------------------|-----------------------------|------------------------|--|-------------------------------------|---------------|
|                                | <b>U.S. \$ in thousands</b> |                        |  |                                     |               |
| <i>Segment assets</i>          | <u>14,848</u>               | <u>11,834</u>          | <u>11,272</u>                          | <u>-</u>                            | <u>37,954</u> |
| <i>Unallocated assets</i>      |                             |                        |  |                                     | <u>2,503</u>  |
| <i>Segment liabilities</i>     | <u>2,627</u>                | <u>3,881</u>           | <u>5,098</u>                           | <u>-</u>                            | <u>11,606</u> |
| <i>Unallocated liabilities</i> |                             |                        |  |                                     | <u>813</u>    |

**NOTE 5 – SIGNIFICANT EVENTS:**

- A. On March 12, 2023, the Board of directors declared a cash dividend of 3.0 US cents per share, representing approximately \$2,656,000, in total. This dividend was paid on April 6, 2023 to shareholders on the register at the close of trading on March 24, 2023 (ex-dividend on March 23, 2023).
- B. On January 24, 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 decided to continue with the Programme for several further periods. On March 14, 2023, the Company announced that it would extend the Programme until March 31, 2024, with the Programme having an increased maximum value of up to £200,000 and with the Programme being managed by Shore Capital Stockbrokers Limited pursuant to the terms as announced. As at March 31, 2023, no Ordinary Shares were held in treasury under the Programme but on May 2, 2023 the Company purchased 100,000 Ordinary Shares that are held in treasury.
- C. On March 14, 2023 at the Company's annual general meeting, Mr. Michael Yehezkel Karo was elected as an independent non-executive director.