

MTI WIRELESS EDGE LTD.

(An Israeli Corporation)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

AS OF MARCH 31, 2026

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(An Israeli Corporation)

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MTI WIRELESS EDGE LTD.
(An Israeli Corporation)

**INTERIM CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME**

	Three month period ended March 31,		Year ended December 31,
	2026	2025	2025
U.S. \$ in thousands (Except per share data)			
Unaudited			
Revenues	12,751	12,011	51,476
Cost of sales	<u>8,467</u>	<u>8,260</u>	<u>34,751</u>
Gross profit	4,284	3,751	16,725
Research and development expenses	275	266	1,166
Distribution expenses	879	862	3,642
General and administrative expenses	1,628	1,374	6,121
Loss (profit) from sale of property, plant and equipment	<u>(11)</u>	<u>-</u>	<u>15</u>
Profit from operations	1,513	1,249	5,811
Finance expenses	230	215	446
Finance income	<u>(86)</u>	<u>(36)</u>	<u>(45)</u>
Profit before income tax	1,369	1,070	5,410
Tax expenses	<u>130</u>	<u>143</u>	<u>751</u>
Profit	<u>1,239</u>	<u>927</u>	<u>4,659</u>
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	<u>-</u>	<u>-</u>	<u>(55)</u>
<i>Items that may be reclassified to profit or loss:</i>			
Adjustment arising from translation of financial statements of foreign operations	<u>57</u>	<u>(26)</u>	<u>256</u>
Total other comprehensive income (loss)	<u>57</u>	<u>(26)</u>	<u>201</u>
Total comprehensive income	<u>1,296</u>	<u>901</u>	<u>4,860</u>
Profit (loss) attributable to:			
Owners of the parent	1,205	1,019	5,047
Non-controlling interests	<u>34</u>	<u>(92)</u>	<u>(388)</u>
	<u>1,239</u>	<u>927</u>	<u>4,659</u>
Total comprehensive income (loss) attributable to:			
Owners of the parent	1,262	993	5,248
Non-controlling interests	<u>34</u>	<u>(92)</u>	<u>(388)</u>
	<u>1,296</u>	<u>901</u>	<u>4,860</u>
Earnings per share (dollars)			
Basic (dollars per share)	<u>0.0140</u>	<u>0.0118</u>	<u>0.0586</u>
Diluted (dollars per share)	0.0139	0.0118	0.0583
Weighted average number of shares outstanding			
Basic	<u>86,195,724</u>	<u>86,195,724</u>	<u>86,195,724</u>
Diluted	<u>86,695,151</u>	<u>86,704,578</u>	<u>86,510,376</u>

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, 2026 (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, 2026	209	22,098	(359)	8,931	30,879	663	31,542
Changes during the three month period ended March 31, 2026:							
Comprehensive income							
Profit for the period	-	-	-	1,205	1,205	34	1,239
Other comprehensive income							
Translation differences	-	-	57	-	57	-	57
Total comprehensive income for the period	-	-	57	1,205	1,261	34	1,265
Share based payment	-	10	-	-	10	-	10
Acquisition of minority holdings	-	-	-	-	-	(480)	(480)
Balance at March 31, 2026	209	22,108	(302)	10,136	32,150	217	32,367

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, 2025 (Unaudited):

	Attributable to owners of the parent				Total attributable to owners of the parent	Non- controlling interest	Total equity
	Share capital	Additional paid-in capital	Translation differences	Retained earnings			
U.S. \$ in thousands							
Balance at January 1, 2025	209	22,002	(615)	6,861	28,457	1,051	29,508
Changes during the three month period ended March 31, 2025:							
Comprehensive income							
Profit for the period	-	-	-	1,019	1,019	(92)	927
Other comprehensive income							
Translation differences	-	-	(26)	-	(26)	-	(26)
Total comprehensive income for the period	-	-	(26)	1,019	993	(92)	901
Acquisition and disposal of treasury shares	-	27	-	-	27	-	27
Balance at March 31, 2025	209	22,029	(641)	7,880	29,477	959	30,436

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, 2025:

	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							
Balance as at January 1, 2025	209	22,002	(615)	6,861	28,457	1,051	29,508
Changes during 2025:							
Comprehensive income							
Profit (loss) for the year	-	-	-	5,047	5,047	(388)	4,659
Other comprehensive income (loss)							
Remeasurements on defined benefit plans	-	-	-	(55)	(55)	-	(55)
Translation differences	-	-	256	-	256	-	256
Total comprehensive income (loss) for the year	-	-	256	4,992	5,248	(388)	4,860
Dividend	-	-	-	(2,922)	(2,922)	-	(2,922)
Share based payment	-	96	-	-	96	-	96
Balance as at December 31, 2025	209	22,098	(359)	8,931	30,879	663	31,542

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

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

	31.03.2026	31.03. 2025	31.12. 2025
	U.S. \$ in thousands		
	Unaudited		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	8,702	8,467	9,547
Trade and other receivables	15,833	13,733	14,852
Unbilled revenue	6,746	3,748	6,674
Current tax receivables	620	341	618
Inventories	6,723	8,963	7,339
	38,624	35,252	39,030
NON-CURRENT ASSETS:			
Long term prepaid expenses	52	34	75
Property, plant and equipment	5,363	5,463	5,399
Deferred tax assets	1,336	1,303	1,304
Intangible assets	3,128	3,321	3,289
	9,879	10,121	10,067
Total assets	48,503	45,373	49,097

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>31.03.2026</u>	<u>31.03.2025</u>	<u>31.12.2025</u>
	<u>U.S. \$ In thousands</u>		
	<u>Unaudited</u>		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Current maturities and short term bank credit and loans	64	340	64
Trade payables	6,840	7,497	7,057
Other accounts payable	6,573	4,464	7,528
Current tax payables	361	349	562
	<u>13,838</u>	<u>12,650</u>	<u>15,211</u>
NON- CURRENT LIABILITIES:			
Contingent consideration	853	837	853
Lease liabilities	493	605	545
Loans from banks, net of current maturities	92	73	114
Employee benefits, net	859	772	832
	<u>2,297</u>	<u>2,287</u>	<u>2,344</u>
Total liabilities	<u>16,135</u>	<u>14,937</u>	<u>17,555</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital	209	209	209
Additional paid-in capital	22,108	22,029	22,098
Translation differences	(302)	(641)	(359)
Retained earnings	10,136	7,880	8,931
	<u>32,151</u>	<u>29,477</u>	<u>30,879</u>
Non-controlling interest	217	959	663
Total equity	<u>32,368</u>	<u>30,436</u>	<u>31,542</u>
Total equity and liabilities	<u>48,503</u>	<u>45,373</u>	<u>49,097</u>

May 24, 2026

Date of approval of
financial statements

Moshe Borovitz
Chief Executive Officer

Elhanan Zeira
Controller

Amalia Borovitz Bryl
Chairperson 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

	Three month period ended		Year ended
	March 31,		December 31,
	2026	2025	2025
	U.S. \$ in thousands		
	Unaudited		
Cash Flows from Operating Activities:			
Profit for the period	1,239	927	4,659
Adjustments for:			
Depreciation and amortization	433	352	1,184
Equity settled share-based payment expense	10	27	96
Loss (Gain) from sale of property, plant and equipment	(11)	114	(15)
Finance (income) expenses, net	32	(22)	40
Changes in Contingent consideration and Put option liability	-	-	16
Tax expenses	130	143	751
Changes in operating assets and liabilities:			
Decrease (increase) in inventories	622	(796)	1,051
Decrease (increase) in trade receivables	(1,497)	2,987	1,332
Decrease (increase) in other accounts receivables	576	(56)	689
Decrease (increase) in unbilled revenues	(72)	(548)	(3,474)
Increase (decrease) in trade and other accounts payables	(1,185)	(584)	1,574
Increase (decrease) in employee benefits, net	27	2	7
Cash from operations	304	2,546	7,910
Interest received	14	-	30
Interest paid	(32)	(21)	(88)
Income tax paid	(368)	(211)	(850)
Net cash provided (used) by operating activities	(82)	2,314	7,002

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.)

	<u>Three month period ended</u>		<u>Year ended</u>
	<u>March 31,</u>		<u>December 31,</u>
	<u>2026</u>	<u>2025</u>	<u>2025</u>
	<u>U.S. \$ in thousands</u>		
	<u>Unaudited</u>		
Cash Flows from Investing Activities:			
Proceeds from sale of property, plant and equipment	13	-	40
Purchase of property, plant and equipment	<u>(196)</u>	<u>(137)</u>	<u>(540)</u>
Net cash used in investing activities	<u>(183)</u>	<u>(137)</u>	<u>(500)</u>
Cash Flows from Financing Activities:			
Dividend	-	-	(2,922)
Payments of lease liabilities	(101)	(85)	(355)
Acquisition of the non-controlling interest in subsidiary	(480)	-	-
Receipt of loans from banks	-	111	150
Repayment of long-term loans from banks	<u>(24)</u>	<u>(8)</u>	<u>(220)</u>
Net cash provided by /(used in) financing activities	<u>(605)</u>	<u>18</u>	<u>(3,347)</u>
(Decrease)/Increase in cash and cash equivalents during the period	(845)	2,195	3,155
Cash and cash equivalents at the beginning of the period	9,547	6,269	6,269
Exchange differences on balances of cash and cash equivalents	<u>25</u>	<u>3</u>	<u>123</u>
Cash and cash equivalents at the end of the period	<u><u>8,702</u></u>	<u><u>8,467</u></u>	<u><u>9,547</u></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, 2025 was approved by the board on 3 March 2026. The report of the auditors on those financial statements was unqualified.

The interim consolidated financial statements as of March 31, 2026 have not been audited.

The interim consolidated financial information should be read in conjunction with the annual financial statements as of December 31, 2025 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, 2025 are applied consistently in these interim consolidated financial statements.

MTI WIRELESS EDGE LTD.

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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 – REVENUES:

	Three month period ended March 31,		Year ended December 31,
	2026	2025	2025
	U.S. \$ in thousands		
	Unaudited		
Revenues arise from:			
Sale of goods*	9,301	8,419	35,562
Rendering of services**	1,741	1,707	7,216
Projects**	1,709	1,885	8,698
	12,751	12,011	51,476

(*) 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, 2026 and 2025 respectively and for the year ended December 31, 2025.

Three month period ended March 31, 2026 (Unaudited):

	Antennas	Water Solutions	Distribution & Consultation Services	Adjustment & Elimination	Total
	U.S. \$ in thousands				
<i>Revenues</i>					
External	3,212	5,016	4,523	-	12,751
Internal	-	-	91	(91)	-
Total	3,212	5,016	4,614	(91)	12,751
Segment profit (loss)	234	571	591	117	1,513
Finance expense (income), net					144
Tax expenses					130
Profit					1,239

March 31, 2026:

	Antennas	Water Solutions	Distribution & Consultation Services	Adjustment & Elimination	Total
	U.S. \$ in thousands				
<i>Segment assets</i>	17,741	12,822	15,754	-	46,317
<i>Unallocated assets</i>					2,186
<i>Segment liabilities</i>	6,109	3,204	5,975	-	15,288
<i>Unallocated liabilities</i>					847

MTI WIRELESS EDGE LTD.

(An Israeli Corporation)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - OPERATING SEGMENTS (CONT.):

Three month period ended March 31, 2025 (Unaudited):

	<u>Antennas</u>	<u>Water Solutions</u>	<u>Distribution & Consultation Services</u>	<u>Adjustment & Elimination</u>	<u>Total</u>
	U.S. \$ in thousands				
<i>Revenues</i>					
External	4,042	4,212	3,757	-	12,011
Internal	-	-	257	(257)	-
Total	4,042	4,212	4,014	(257)	12,011
Segment profit	<u>342</u>	<u>446</u>	<u>284</u>	<u>182</u>	<u>1,254</u>
Finance expense, net					184
Tax expenses					<u>142</u>
Profit					<u>927</u>

March 31, 2025:

	<u>Antennas</u>	<u>Water Solutions</u>	<u>Distribution & Consultation Services</u>	<u>Adjustment & Elimination</u>	<u>Total</u>
	U.S. \$ in thousands				
<i>Segment assets</i>	<u>17,000</u>	<u>12,912</u>	<u>13,188</u>	<u>-</u>	<u>43,100</u>
<i>Unallocated assets</i>					<u>2,273</u>
<i>Segment liabilities</i>	<u>4,887</u>	<u>3,793</u>	<u>5,301</u>	<u>-</u>	<u>13,981</u>
<i>Unallocated liabilities</i>					<u>956</u>

Year ended December 31, 2025

	<u>Antennas</u>	<u>Water Solutions</u>	<u>Distribution & Consultation</u>	<u>Eliminations</u>	<u>Total</u>
	U.S. \$ in thousands				
<i>Revenues</i>					
External	15,621	18,504	17,351	-	51,476
Inter-segment	-	-	403	(403)	-
Total	15,621	18,504	17,754	(403)	51,476
Segment profit	<u>1,512</u>	<u>1,864</u>	<u>1,990</u>	<u>445</u>	<u>5,811</u>
Finance income, net					401
Profit before tax					<u>5,410</u>
Tax expenses					<u>751</u>
Profit					<u>4,659</u>

MTI WIRELESS EDGE LTD.

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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - OPERATING SEGMENTS (CONT.):

December 31, 2025:

	Antennas	Water Solutions	Distribution & Consultation	Eliminations	Total
	U.S. \$ in thousands				
<i>Segment assets</i>	<u>16,786</u>	<u>14,245</u>	<u>15,851</u>	<u>-</u>	<u>46,882</u>
<i>Unallocated assets</i>					<u>2,215</u>
<i>Segment liabilities</i>	<u>5,078</u>	<u>4,667</u>	<u>6,892</u>	<u>-</u>	<u>16,637</u>
<i>Unallocated liabilities</i>					<u>918</u>

NOTE 5 – SIGNIFICANT EVENTS:

- A. The Board of directors declared a cash dividend of 3.4 US cents per share being approximately \$3,010,000. This dividend was paid on 14 April 2026 to shareholders on the register at the close of trading on 27 March 2026.
- B. The financial statements for the year ended 31 December 2025 were authorized for issue by the board as a whole following their approval on 3 March 2026.
- 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 2027 and as at 31 March 2026, 2,343,000 Ordinary Shares were held in treasury under the Programme.
- D. On 9 February 2026, Mottech Water Solutions acquired the remaining 50% interest in its Australian subsidiary Mottech Parkland (Pty) Ltd. (Mottech Parkland) for AUD550,000 and is now the sole owner of Mottech Parkland (Pty) Ltd.