

BATM Advanced Communications Limited
(“BATM” or the “Group”)

Full Year Results

BATM (LSE: BVC; TASE: BVC), a global provider of advanced network infrastructure, cybersecurity and diagnostic technologies, announces its full year results for the year ended 31 December 2025.

Financial Highlights*

\$m	2025	2024
Revenue	123.2	117.3
Revenue on a comparable basis**	123.2	113.1
Gross profit	40.1	36.8
Gross margin	32.5%	31.4%
Adj. operating profit***	14.7	3.8
Adj. EBITDA***	18.9	8.1
Adj. profit before tax***	13.6	3.0
Cash and short-term investments	23.4	31.6

* Results for the Group’s continuing operations. See note 4 to the financial statements for details on the discontinued operations

** Revenue for 2024 adjusted to exclude the contribution to H2 2024 of the Progenetics and Zer Laboratories operations that were sold during H1 2025

*** Adjusted to exclude amortisation of intangible assets, share-based payments and expenses related to corporate activity. The figures include capital gains and an exceptional expense from a theft of inventory (see the Financial Review for further detail)

Strategic Execution

- Delivered significant progress towards becoming a streamlined company focused on the high-growth, high-margin and complementary markets of networking and cybersecurity
- Sold four businesses during the year and a fifth post year end – for a total consideration of \$24.4m – thereby reducing the complexity of the Group and enabling resources to be focused on BATM Networks and BATM Cyber, which the Board believes offer, individually and through their combined value, the greatest opportunity to deliver significant shareholder value
- Strategic actions implemented in 2024 enabled the Group’s proprietary diagnostics business to deliver adjusted operating profit of \$0.1m (2024: \$1.8m loss); going forward, the diagnostics activities will be presented as Non-core as the Board accelerates its strategy to focus on networking and cybersecurity
- Enhanced collaboration between BATM Networks and BATM Cyber, including commencing joint sales activities and development work for platform integration
- Continued to explore potential opportunities to add capabilities to core activities through M&A

Operational Highlights

BATM Networks

- Return to growth achieved, with revenue increasing 36% to \$11.6m (2024: \$8.5m)
- Strong pipeline established for 2026 across both the Carrier Ethernet and Edgility product lines, including a significant upscaling in average order size
- New channel partners were onboarded in all target markets globally for the resale of the Group’s Carrier Ethernet and Edgility products
- Launch of new Carrier Ethernet products in X-series portfolio, which is being well received and is expected to be the key driver of new customer acquisition in 2026
- Edgility was selected by Telebras, a leading Brazilian telecommunications company, with several proof-of-concepts underway with potential end customers

BATM Cyber

- Revenue decreased to \$8.3m (2024: \$13.1m) in line with management expectations and reflecting the exceptional orders received in 2024
- Significant milestone achieved with the delivery of the first units of a customised version of the Group's encryption platform for the commercial market
- Continued delivery of orders for the Group's long-standing government customer, albeit at a lower level in line with expectations. Additional new development projects secured in advanced cyber capabilities – such as ultra-high-speed encryption and tactical encryption systems. Management believes these projects offer a significant opportunity to widen the range of products offered and will transition to procurement agreements in the coming years
- Selected, post year end, as a partner in cybersecurity by FPT Israel, a company of FPT Corporation

BATM Diagnostics

- Increase in sales – of proprietary and third-party diagnostic products – and gross margin following successful rollout of new strategy to prioritise reagent sales
- Sold the Group's diagnostic distribution business – generating a capital gain of \$14.1m – and the remaining proprietary diagnostic activities will be classified, going forward, as Non-core

Commenting on the results, Moti Nagar, Chief Executive Officer of BATM, said: “BATM is entering the next phase of its transformation – evolving into a company focused on the provision of secure managed networking and cybersecurity. 2025 has been a pivotal and transformational year for the Group in this regard. We divested four non-core activities, with another sale announced in 2026, and the successful turnaround of our proprietary diagnostics business allows us to accelerate our plan to focus on BATM Networks and BATM Cyber, which the Board believes offer substantial potential for creating long-term shareholder value. This streamlining process has significantly simplified the complexity of our business and we are increasingly allocating resources to the high-growth, high-margin markets of networking and cybersecurity.

“Strategic initiatives implemented in BATM Networks and BATM Cyber in 2024 delivered meaningful results in 2025, in turn laying the foundation for a stronger performance in 2026. Our pipeline for our core activities is at the largest it's been in recent years, with the average size of potential orders more than doubling. Additionally, we have made significant progress in integrating our networking and cybersecurity capabilities into a unified platform – one that delivers highly secure, software-defined connectivity with built-in protection against emerging threats, including those posed by quantum computing. The Board remains highly optimistic about the unique opportunities ahead for BATM and is fully committed to executing our strategy to deliver enhanced value to our shareholders.”

Enquiries

BATM

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The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

Investor & Analyst Presentation

Moti Nagar, CEO, and Lior Miles, CFO, will be holding a webinar for analysts and investors on 16 March 2026 at 12.30pm GMT. To register to participate or submit a question in advance, please use the following link: <https://forms.gle/Dfb4iC86EKQkv3qA8>

Forward-looking statements

This document contains forward-looking statements. Those statements reflect the current opinions, evaluations and estimations of the Group's management, and are based on the current data regarding the Group's business as is detailed in this document and in the Group's periodical, interim and immediate reports. The Group does not undertake any obligation or make any representation that actual results and events will be in line with those statements, and stresses that they may differ materially from those statements, due to changes in the Group's business, market, competition, demand for the Group's products or services, general economic factors or other factors that can influence the Group's business and results, due to the risk factors that are detailed in the Group's Annual Report, and due to information and factors that are currently unknown to the Group's management and that, if known, would affect the management's opinions, evaluations or estimations. The Group will report the actual results and events according to its legal, accounting and regulatory obligations, and does not undertake any other obligation to report them or their deviations from the forward-looking statements, or to update any of the forward-looking statements in this document or to report that it is not valid anymore.

Strategic Execution

The year to 31 December 2025 was transformational for BATM as the Group executed on its strategy to become a unified, streamlined business focused on the high-growth, high-margin markets of networking and cybersecurity. A key element of this was the divestment of non-core businesses, which will enable additional resources to be invested in activities that the Board believes offer the greatest opportunities for delivering sustainable growth and generating shareholder value. At the same time, the Group took action to strengthen its core activities and continued to explore potential opportunities to add capability through M&A.

Divestment of non-core activities

The Group sold four non-core businesses during the year and a fifth post year end, for a total consideration of \$24.4m. The Group disposed of:

- Celitron, an eco-med business in Hungary;
- Zer Laboratories, an administrator of third-party pre-natal diagnostic tests in Israel;
- Progenetics, an administrator of third-party oncological diagnostic tests in Israel;
- A.M.S 2000 Trading Impex SRL (“AMS”)*, a distributor of diagnostic laboratory equipment in Romania; and
- post year end, Laborator A.M.S 2000 SRL*, which provides analysis for third parties in Romania.

(* For the purposes of the Group’s reporting, these business are presented within BATM Diagnostics)

These disposals have already significantly reduced the complexity of the Group and will allow additional resource to be focused on the core activities of BATM Networks and BATM Cyber.

Alongside this, the Board has taken the strategic decision to no longer invest resources to support its ADOR Diagnostics (“ADOR”) associate company and, to help solidify the foundations on which the Group is building the future business, has written-off the investment that the Group has made in ADOR. ADOR is a molecular diagnostics IP-company in which the Group has a significant shareholding. To bring that IP to the point of potential commercialisation would require significant further funding. Further investment by the Group in ADOR is not aligned with the Board’s risk appetite and is not considered the best use of the Group’s resources. Accordingly, and in the absence of ADOR securing other funding, the Group’s total investment in, and its financial balances with, ADOR, which amount to \$18.7m from over the last nine years, have been written off. ADOR continues to seek a strategic investor or other opportunity to monetise its know-how and, if successful, the Group would recognise a corresponding gain.

As described below, the Group’s remaining diagnostics activities will now be classified as Non-core. Accordingly, the Group’s Non-core activities now comprise its diagnostics business, its pharmaceutical distribution business and its environmental monitoring business.

Accelerating focus on highly-secure network provision

As a result of the success of the strategic actions that the Group implemented in 2024, the Group’s business that provides its proprietary diagnostic instruments and reagents was significantly strengthened and achieved breakeven for the year. This, combined with the sale of AMS and exit from ADOR, has led the Board to take the strategic decision to accelerate its plans to focus on BATM Networks and BATM Cyber. Accordingly, going forward, the diagnostics business will be presented within the Group’s Non-core activities, which the Board would consider selling should there be an appropriate opportunity.

The Group’s core activities now comprise networking and cybersecurity. While both markets offer significant opportunities, the Board believes that the greater value lies in their combination – in the

provision of highly secure networks. During the year, the Group enhanced collaboration between BATM Networks and BATM Cyber, including commencing joint sales activities and joint development work. Certain sales team members of the BATM Networks division began to promote the Group’s cyber solution with their commercial customers and partners. The Group is undertaking joint product development initiatives to integrate the Group’s Edgility and encryption platforms to offer highly secure, software-based networks.

In addition, the Group undertook an in-depth exercise that resulted in the launch of a new brand identity, including a new logo. The rebranding marks a significant milestone in BATM’s journey, as it aligns more closely with its strategic vision to become a focused business and it brings its key activities under a unified brand identity.

BATM Networks

\$m	2025	2024
Revenue	11.6	8.5
Gross margin*	45.7%	52.5%
Adj. operating loss*	(2.7)	(4.0)

* Adjusted to exclude amortisation of intangible assets, share-based payments and an exceptional expense from a theft of inventory (see the Financial Review for further detail)

Performance

The performance of BATM Networks in the year reflects the results of the decisive action taken during 2024 to return the division to growth, including a management reorganisation, expansion of the sales & marketing team and refocused go-to-market strategy. Accordingly, revenue increased by 36% to \$11.6m, representing growth in revenue from sales of the Group’s Carrier Ethernet products as well as its Edgility edge virtualisation and management platform.

The reduction in gross margin compared with the prior year reflects a write-off of slow-moving inventory of older products offsetting the benefits of an exercise undertaken to reduce production costs as well as the lower cost of sales associated with the division’s new products. The Group expects the gross margin in BATM Networks to grow going forward, particularly as sales of Edgility account for an increasing proportion of division revenue.

The Group achieved a 33% reduction in adjusted operating loss in BATM Networks as a result of the strong revenue growth.

Commercial momentum

A key element of the Group’s new go-to-market approach was the establishment of a team to focus on expanding the Group’s global channel partners, including value-added resellers, systems integrators and distributors. The Group successfully onboarded new channel partners in all its target markets globally, which have begun to resell the Group’s Carrier Ethernet and Edgility products. The Group also made a strategic investment in targeting the Latin American and, later in the year, Asia-Pacific markets for its Carrier Ethernet and Edgility offerings, including the hiring of additional sales resources. These actions resulted in further orders during the year, as well as the establishment of a strong pipeline, which includes an upscaling in the size of potential orders. The average size of individual orders in the Group’s current pipeline is approximately double that of recent years.

In particular, the Group’s X-series portfolio of Carrier Ethernet products – with the first product being launched towards the end of the prior year and the full portfolio being launched by the end of 2025 offering speeds of 1G, 10G and 100G – is proving popular and is expected to be an important driver of

new customer acquisition during 2026 as well as being used for cross-selling. By way of example, in December 2024, the Group signed a multi-million dollar three-year agreement for Edgility with a Tier 1 telecommunications company in Mexico; it is currently finalising a proof-of-concept with the X-series product alongside the rollout of Edgility.

During the year, Edgility was selected by Telecomunicações Brasileiras S.A. (“Telebras”), a leading Brazilian telecommunications company that implements the federal government’s communication network and supports public broadband policies as well as serving the enterprise market. Telebras has established a strong pipeline of opportunities with proof-of-concepts underway with a number of these.

The Group has also continued to expand its partnership with a leading global provider of emergency connectivity services that is headquartered in the US. The partner expanded its use of Edgility internationally, with active deployments in the Philippines, and participated in joint sales & marketing initiatives with the Group in Latin America.

The Group received an order for its 10G carrier ethernet and aggregation solutions from a leading internet services provider to homes and businesses across the US that is owned by one of the world’s largest technology conglomerates. The order forms part of the customer’s programme to modernise its network by replacing its 1G platforms with 10G intelligent connectivity reaching outdoor and remote edge locations.

As service providers globally are increasingly upgrading their networks to handle the high-bandwidth demands from artificial intelligence, cloud computing and internet of things, the Group is receiving growing interest in its 100G solutions. In the Asia-Pacific market, the Group won a competitive tender with a national electricity company for a phased 100G network upgrade across the country and has secured a number of other potential opportunities in the region, as well as in North America.

BATM Cyber

\$m	2025	2024
Revenue	8.3	13.1
Gross margin*	51.1%	41.0%
Adj. operating profit*	0.7	3.1

* Adjusted to exclude amortisation of intangible assets and share-based payments

Performance

The performance of the BATM Cyber division for 2025 was in line with management’s expectations and compares with exceptional orders delivered in the prior year to the Group’s long-standing customer. Revenue is derived from product and services delivered to, and development projects with, the Group’s long-standing customer as well as initial revenue from the commercial markets. The improvement in gross margin reflects increased efficiencies in the manufacturing process.

Commercial momentum

A key milestone was achieved during the year with the Group delivering the first units of its cyber solution for the commercial markets. This is a version of the Group’s advanced encryption platform that was customised to meet the requirements of the Group’s strategic partner that is selling the solution under their brand, replacing its current product. The partnership was established in 2024, with the first units being delivered to the partner in the first half of 2025, a proof-of-concept was conducted with a potential customer in the second half of the year and, post year end, the partner then commercially launched the platform. The Group has appointed new sales personnel to support this activity.

During 2025, the Group received orders from its long-standing customer under several projects to develop next-generation cyber capabilities, including encryption for ultra-high-speed networks and tactical encryption. This development work remains ongoing, and the Group expects that, as with previous projects, once complete it will transition to a supply agreement with the customer. The Group will also be able to utilise similar functionality for its encryption solution for commercial markets – which will be a key differentiator for the platform.

Post year end, the Group was selected as a partner in cybersecurity by FPT Israel, which is a company of FPT Corporation (HOSE: FPT), a leading Vietnam-based technology group providing digital transformation services and solutions in over 30 countries. FPT Corporation established FPT Israel and introduced a portfolio of advanced technology partners in Israel – including BATM – aiming to expand its high-tech solutions ecosystem. This initiative also represents delivery on the Group’s strategy to bolster its capabilities and expand its cybersecurity activities through entering partnerships.

BATM Diagnostics

\$m	2025	2024
Revenue	47.5	38.6
Gross margin*	30.0%	28.0%
Adj. operating profit*	17.1	1.3

* Adjusted to exclude amortisation of intangible assets and share-based payments

BATM Diagnostics delivered growth in revenue from both the Group’s proprietary diagnostic products and distributed diagnostic products. The distribution of diagnostic products was provided by AMS, which, as noted, the Group sold during the year with the transaction completing on 31 December 2025. The Group recognised a capital gain of \$14.1m from the sale of AMS, which was the main contributor to the significant increase in adjusted operating profit. The sale of AMS was a non-cash transaction with the consideration paid by the purchaser being 96,794,500 ordinary shares of NIS 0.01 each in the Group (see note 3 for further details).

Excluding the contribution from AMS, revenue in the BATM Diagnostics division increased by 71% to \$7.7m (2024: \$4.5m). This growth in sales of the Group’s proprietary diagnostic products reflects the benefits from the management reorganisation and refocused go-to-market approach adopted in 2024 to prioritise reagent sales, which are a higher margin and consumable product. The Group is providing its instruments on a lease basis, or as a lower-margin sale, alongside a reagent agreement to secure long-term, repeatable orders. As a result of the focus on reagent sales, gross margin for the BATM Diagnostics division, excluding AMS, improved to 42.0%, compared with 29.3% for 2024. The increase in revenue and gross margin, combined with a relatively stable cost base, resulted in the BATM Diagnostics division reaching profitability with an adjusted operating profit of \$0.1m (2024: \$1.8m loss) when excluding the contribution from AMS.

As noted above, going forward, the Group’s diagnostics activities will be classified as Non-core.

Non-core Activities

\$m (for continuing operations)	2025	2024
Revenue	55.8	57.0
Gross margin*	29.8%	29.0%
Adj. operating profit*	1.8	3.4

* Adjusted to exclude amortisation of intangible assets and share-based payments

The Group's Non-core activities comprise those businesses that the Board would consider selling should it be presented with an appropriate opportunity. During the year, Progenetics was sold for a total consideration of \$2m for the Group's 51% shareholding and the Group received a total of \$383k in cash in consideration for the disposals of Celitron (which had been reclassified as a discontinued operation) and Zer Laboratories.

The Group's Non-core division, going forward (with diagnostics now being classified as non-core), comprises the following businesses:

- Diagnostics business in Italy
- Pharmaceutical distribution business in Moldova
- Environmental monitoring business in Hungary

Non-core revenue in 2024 included a 12-month contribution from Progenetics and Zer Laboratories, which were both sold during the first half of 2025. If the contribution of these businesses is excluded from the second half of 2024, there was an increase in revenue in 2025 compared with the prior year.

Financial Review

\$m (for continuing operations**) <u></u>	<u>Adjusted*</u>		<u>Reported</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenue	123.2	117.3	123.2	117.3
Gross margin	32.8%	31.7%	32.5%	31.4%
Operating profit/(loss)	14.7	3.8	13.5	(4.7)
EBITDA	18.9	8.1	18.1	7.1

* Adjusted to exclude amortisation of intangible assets, share-based payments and exceptional expenses related to corporate activity

** See note 4 to the consolidated financial statements

Total Group revenue increased to \$123.2m (2024: \$117.3m). This reflects growth in BATM Networks and BATM Diagnostics. On a like-for-like basis, excluding the contribution to H2 2024 revenue from Progenetics and Zer Laboratories that were sold during H1 2025, revenue for 2024 was \$113.1m therefore on an adjusted basis 2025 revenues increased 9% year-on-year.

Gross profit increased to \$40.1m (2024: \$36.8m) with a gross margin of 32.5% (2024: 31.4%), with the improvement reflecting increased gross margin in BATM Cyber and BATM Diagnostics. As noted above, the gross margin in BATM Networks was impacted by a write-off of slow-moving inventory of older products and the Group expects it to grow going forward.

Sales & marketing expenses increased to \$20.5m (2024: \$19.6m) reflecting the investment in go-to-market strategy, general and administrative expenses rose to \$13.5m (2024: \$12.8m) and R&D expenses slightly increased to \$4.8m (2024: \$4.6m). The Group recognised net other operating income of \$12.3m (2024: \$4.5m expenses), which is primarily attributable to the capital gain on the Group's disposals, including a capital gain of \$14.1m on the Group's sale of AMS, partly offset by an exceptional expense from a theft of inventory, comprising networking components, at one of the Group's warehouses in December 2025. While the Group is hopeful that the inventory might still be recovered or that compensation will be received, an expense of \$2.3m has been recognised in the financial statements.

Adjusted EBITDA, excluding amortisation of intangible assets, share-based payments and exceptional expenses related to corporate activity, was \$18.9m for 2025 compared with \$8.1m for the prior year. Adjusted operating profit was \$14.7m (2024: \$3.8m). On a reported basis, operating profit was \$13.5m (2024: \$4.7m loss). This significant growth in adjusted EBITDA and operating profit was primarily driven by the \$14.1m capital gain related to the sale of AMS.

Profit before tax was \$12.4m (2024: \$5.4m loss). On an adjusted basis, the Group reported a profit of \$13.6m (2024: \$3.0m profit).

The Group recorded a tax expense of \$6.2m (2024: \$1.7m), which primarily relates to the tax treatment of the disposal of AMS. The Group's share of loss of a joint venture and associated companies and share of loss of financial balances of a joint venture and associated companies was \$18.9m (2024: \$0.3m), which, as discussed above, is due to the strategic decision to write-off the Group's investment in ADOR.

Accordingly, net loss from continuing operations was \$12.8m (2024: \$7.5m loss) and loss per share was 2.79¢ (2024: 1.72¢ loss).

The Group recorded a loss from discontinued operations of \$6.2m (2024: \$14.8m loss), primarily attributable to Celitron, which the Group sold during the year.

Net cash used in continuing operations (before tax and interest) was \$1.9m compared with \$1.7m of cash generated by continuing operations in 2024. This primarily reflects changes in working capital.

As at 31 December 2025, the Group had cash and short-term investments of \$23.4m (31 December 2024: \$31.6m). The reduction is primarily due to movement in working capital. Since year end, the Group has received \$3.7m in cash that had been held by AMS, with a further \$0.3m still to be received.

Outlook

The Group entered the new financial year with increasing momentum across the business. The Board is accelerating execution on its strategy to focus on the high-growth, high-margin networking and cybersecurity markets where substantial opportunities exist driven by increasing global demand for secure connectivity. Accordingly, the Board intends to reinvest the proceeds from the disposal of non-core assets in progressing the work being undertaken to enhance the collaboration and integration between BATM Networks and BATM Cyber and their growth.

The Group expects BATM Networks and BATM Cyber to deliver significant growth for 2026 based on the orders received to date and the current pipeline, which is the largest the pipeline has been for these core activities in recent years and with a more-than doubling of average order size. The performance of the Non-core activities is expected to remain stable.

Accordingly, the Board is confident of delivering strong underlying growth for 2026 and significant, sustainable growth in the medium-term as it increasingly progresses the execution of its strategy to become a business focused on providing highly secure network connectivity.

**BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

	Year ended 31 December	
	2025 \$'000 Unaudited	2024 \$'000 Unaudited
Revenues	123,198	117,336
Cost of revenues	83,134	80,536
Gross profit	40,064	36,800
Operating expenses		
Sales and marketing expenses	20,510	19,582
General and administrative expenses	13,539	12,790
Research and development expenses	4,836	4,636
Other operating (income)/expenses	(12,298)	4,453
Total operating expenses	26,587	41,461
Operating income/(loss)	13,477	(4,661)
Finance income	757	665
Finance expenses	(1,866)	(1,387)
Profit/(loss) before tax	12,368	(5,383)
Income tax expenses	(6,192)	(1,728)
Profit/(loss) for the year before share of loss of a joint venture and associated companies	6,176	(7,111)
Share of loss of a joint venture and associated companies	17,223	345
Share of loss of financial balances of a joint venture and associated companies	1,704	-
Loss for the year from continuing operations	(12,751)	(7,456)
Loss for the year from discontinued operations	(6,150)	(14,798)
Loss for the year	(18,901)	(22,254)
<u>Attributable to:</u>		
Non-controlling interests	(566)	42
Owners of the Company	(18,335)	(22,296)
Earnings/(loss) per share (in cents):		
Basic and diluted from continuing operations	(2.79)	(1.72)
Basic and diluted from discontinued operations	(1.41)	(3.39)
Basic and diluted	(4.20)	(5.11)

**BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Year ended 31 December	
	2025	2024
	\$'000	\$'000
	Unaudited	Unaudited
Loss for the year	(18,901)	(22,254)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	5,603	(5,043)
Disposal of a foreign operation	5,321	-
Items that will not be reclassified subsequently to profit or loss:		
Re-measurement of defined benefit obligation	25	19
Total other comprehensive income/(loss) for the year	10,949	(5,024)
Total comprehensive loss for the year	(7,952)	(27,278)
Attributable to:		
Owners of the Company from continuing operations	(5,417)	(11,366)
Owners of the Company from discontinued operations	(2,161)	(15,739)
Non-controlling interests	(374)	(173)
	(7,952)	(27,278)

BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	31 December	
	2025	2024
	\$'000	\$'000
	<u>Unaudited</u>	<u>Unaudited</u>
Current assets		
Cash and cash equivalents	22,859	25,898
Trade and other receivables	28,836	29,614
Short-term investment in deposits and other securities	532	5,672
Inventories	28,567	32,710
Disposal groups Held for Sale	-	4,660
	<u>80,794</u>	<u>98,554</u>
Non-current assets		
Property, plant and equipment	8,423	12,016
Investment property	604	548
Right-of-use assets	1,461	4,178
Goodwill	3,059	3,344
Intangible assets	10,176	8,004
Investment in joint venture and associated companies	4,032	17,802
Investments carried at fair value	1,585	1,220
Deferred tax assets	3,694	3,498
	<u>33,034</u>	<u>50,610</u>
Total assets	<u>113,828</u>	<u>149,164</u>
Current liabilities		
Short-term bank credit	8,514	4,261
Trade and other payables	28,842	36,691
Current maturities of lease liabilities	999	2,032
Tax liabilities	5,285	619
Liabilities associated with disposal groups Held for Sale	-	2,978
	<u>43,640</u>	<u>46,581</u>
Non-current liabilities		
Long-term bank credit	182	-
Long-term liabilities	4,408	6,588
Long-term lease liabilities	662	2,358
Retirement benefit obligation	824	655
	<u>6,076</u>	<u>9,601</u>
Total liabilities	<u>49,716</u>	<u>56,182</u>
Equity		
Share capital	1,320	1,320
Share premium account	430,206	429,598
Reserves	(24,250)	(31,073)
Company's shares held by a subsidiary of the Group	(20,994)	-
Reserves associated with disposal groups Held for Sale	-	(3,620)
Accumulated deficit	(320,715)	(302,162)
	<u>65,567</u>	<u>94,063</u>
Equity attributable to the:		
Owners of the Company	65,567	94,063
Non-controlling interests	(1,455)	(1,081)
	<u>(1,455)</u>	<u>(1,081)</u>
Total equity	<u>64,112</u>	<u>92,982</u>

Total equity and liabilities

113,828

149,164

BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2025 (unaudited)

	Share capital	Share premium account	Translation reserve	Other reserve	Company's shares held by a subsidiary of the Group	Other comprehensive income attributable to disposal groups	Accumulated deficit	Attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2025	1,320	429,598	(24,300)	(6,773)	-	(3,620)	(302,162)	94,063	(1,081)	92,982
Loss for the year	-	-	-	-	-	-	(18,335)	(18,335)	(566)	(18,901)
Re-measurement of defined benefit obligation	-	-	-	-	-	-	25	25	-	25
Exchange differences on translating foreign operations	-	-	7,112	-	-	3,620	-	10,732	192	10,924
Total comprehensive loss for the year	-	-	7,112	-	-	3,620	(18,310)	(7,578)	(374)	(7,952)
Dividend to non-controlling interests holding put option	-	-	-	-	-	-	(243)	(243)	-	(243)
Recognition of share-based payments	-	608	-	-	-	-	-	608	-	608
Company's shares held by a subsidiary of the Group	-	-	-	-	(20,994)	-	-	(20,994)	-	(20,994)
Capital reserve transactions with NCI	-	-	-	(289)	-	-	-	(289)	947	658
Disposal of subsidiary	-	-	-	-	-	-	-	-	(947)	(947)
Balance as at 31 December 2025 (unaudited)	1,320	430,206	(17,188)	(7,062)	(20,994)	-	(320,715)	65,567	(1,455)	64,112

Year ended 31 December 2024 (audited)

	Share capital	Share premium account	Translation reserve	Other reserve	Other comprehensive income attributable to disposal groups	Accumulated deficit	Attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2024	1,320	428,656	(23,092)	(6,773)	-	(279,767)	120,344	(908)	119,436
Loss for the year	-	-	-	-	-	(22,296)	(22,296)	42	(22,254)
Re-measurement of defined benefit obligation	-	-	-	-	-	19	19	-	19
Exchange differences on translating foreign operations	-	-	(4,828)	-	-	-	(4,828)	(215)	(5,043)
Total comprehensive loss for the year	-	-	(4,828)	-	-	(22,277)	(27,105)	(173)	(27,278)
Dividend to non-controlling interests holding put option	-	-	-	-	-	(118)	(118)	-	(118)
Recognition of share-based payments	-	942	-	-	-	-	942	-	942
Other comprehensive income attributable to disposal groups	-	-	3,620	-	(3,620)	-	-	-	-
Balance as at 31 December 2024 (audited)	1,320	429,598	(24,300)	(6,773)	(3,620)	(302,162)	94,063	(1,081)	92,982

**BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENT OF CASH FLOW**

	Year ended 31 December	
	2025	2024
	\$'000	\$'000
	<u>Unaudited</u>	<u>Unaudited</u>
Net cash (used in)/from continuing operating activities (Appendix A)	(3,122)	153
Net cash used in discontinued operating activities	(3,843)	(1,806)
Investing activities		
Purchases of property, plant and equipment	(1,868)	(700)
Increase of intangible assets	(2,414)	(2,707)
Investment in joint venture and associated companies	(1,072)	(1,378)
Purchases of deposits and financial assets	(5,132)	(8,744)
Proceeds on disposal of property, plant and equipment	200	791
Proceeds on disposal of operation, net (see note 3)	532	-
Proceeds on disposal of deposits and securities	10,587	11,526
Net cash from/(used in) investing activities – Continuing Operations	833	(1,212)
Net cash from/(used in) investing activities – Discontinued Operations	240	(4)
Financing activities		
Lease payment	(2,154)	(2,098)
Bank loan repayment	(2,895)	(2,458)
Bank loan received	6,928	2,359
Dividend paid to non-controlling interests holding put option	(243)	(118)
Net cash from/(used in) financing activities – Continuing Operations	1,636	(2,315)
Net cash used in financing activities – Discontinued Operations	(81)	(297)
Net decrease in cash and cash equivalents	(4,337)	(5,480)
Cash and cash equivalents at the beginning of the year	25,898	32,339
Effects of exchange rate changes on the balance of cash held in foreign currencies	1,298	(961)
Cash and cash equivalents at the end of the year	22,859	25,898

BATM ADVANCED COMMUNICATIONS LTD.
APPENDIX A TO CONSOLIDATED STATEMENT OF CASH FLOW

Reconciliation of operating profit/(loss) for the year to net cash from/(used in) operating activities:

	Year ended 31 December	
	2025 \$'000 Unaudited	2024 \$'000 Unaudited
Operating profit/(loss) from continuing operations	13,477	(4,661)
Adjustments for:		
Amortisation of intangible assets	347	680
Depreciation of property, plant and equipment and investment property	4,277	4,288
Impairment of goodwill and intangible assets	-	6,809
Capital loss/(gain) of property, plant and equipment	1,042	(263)
Share-based payments	608	942
Investment carried at fair value	(365)	-
Capital gain from disposal of operations and subsidiaries (see note 3)	(14,968)	-
Increase in retirement benefit obligation	35	16
Operating cash flow before movements in working capital	4,453	7,811
Increase in inventory	(489)	(521)
Increase in receivables	(13,221)	(1,197)
Decrease/(increase) in payables	5,533	(2,630)
Effects of exchange rate changes on the balance sheet	1,822	(1,777)
Cash (used in)/from operations	(1,902)	1,686
Income taxes paid	(1,337)	(1,291)
Net interest received/(paid)	117	(242)
Net cash (used in)/from continuing operating activities	(3,122)	153
Net cash used in discontinued operating activities	(3,843)	(1,806)

BATM ADVANCED COMMUNICATIONS LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – General

This preliminary results announcement should be read in conjunction with the audited annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The final results for the year ended 31 December 2025, which will be prepared in accordance with IFRS, will be presented in the full annual report and accounts.

Note 2 – Earnings per share

Earnings per share is based on the weighted average number of shares in issue for the period of 441,119,076 (2024: 440,754,446) including 4,495,000 ordinary shares held in treasury. The number used for the calculation of the diluted earnings per share for the period (which includes the effect of dilutive stock option plans) is 441,119,076 shares (2024: 441,946,835).

Note 3 – Disposal of subsidiaries and operation

A. Disposal of Progenetics

On 15 May 2025, the Group completed the divestiture of its interest in Progenetics resulting in the disposal of the assets and liabilities from the consolidated balance sheet, and a gain on the disposal was recognised in the consolidated statement of income, reflecting the difference between the consideration received and the carrying amount of the net assets and non-controlling interest (“NCI”) disposed.

	15 May 2025 \$'000 Unaudited
Net assets disposed	
Assets associated with disposal group Held for Sale	2,015
Liabilities associated with disposal group Held for Sale	(948)
Non-controlling interest	(947)
Net assets disposed	120
Disposal of capital reserves related to currency translation of a foreign operation	15
Gain on disposal	760
Net consideration	895
Net cash inflow arising from disposal	
Consideration received in cash, net	1,619
Cash held in escrow	143
Cash and cash equivalents disposed	(867)
Net consideration	895

B. Disposal of Celitron

On 30 June 2025, the Group completed the divestiture of its interest in Celitron resulting in the disposal of the assets and liabilities from the consolidated balance sheet, and a gain on the disposal was recognised in the consolidated statement of income, reflecting the difference between the consideration received and the carrying amount of the net assets disposed.

	30 June 2025 \$'000 Unaudited
Net assets disposed	
Assets associated with disposal group Held for Sale	1,235
Liabilities associated with disposal group Held for Sale	(1,847)
Net assets disposed	(612)
Disposal of capital reserves related to currency translation of a foreign operation	3,990
Loss on disposal	(3,138)
Total consideration	240
Net cash inflow arising from disposal	
Consideration received in cash and cash equivalents, net	250
Cash and cash equivalents disposed	(10)
Total consideration	240

C. On 30 June 2025, the Group completed the divestiture of the Zer Laboratories operation for a total consideration amounting to \$0.1m.

D. Disposal of AMS

On 31 December 2025, the Group completed the divestiture of its interest in AMS resulting in the disposal of the assets and liabilities from the consolidated balance sheet, and a gain on the disposal was recognised in the consolidated statement of income, reflecting the difference between the consideration received and the carrying amount of the net assets disposed. The sale of AMS was a non-cash transaction with the consideration paid by the purchaser being 96,794,500 ordinary shares of NIS 0.01 each in the Group.

	31 December 2025 \$'000 Unaudited
Net assets disposed	
Assets associated with disposal	25,465
Liabilities associated with disposal	(20,182)
Net assets disposed	5,283
Disposal of capital reserves related to currency translation of a foreign operation	1,316
Expenses related to acquisition	321
Gain on disposal	14,074
Net consideration	20,994
Net cash inflow arising from disposal	-
Net cash outflow arising from disposal	353

Note 4 – Discontinued operations

During 2024, the Board resolved to dispose of the Eco-med operation, which constituted part of the Group's non-core activity. The operation, which was expected to be sold within 12 months and had been classified as a discontinued operation, was sold on 30 June 2025 (see note 3). The comparative consolidated statement of profit or loss and the cash flow has been re-presented to show the discontinued operation separately from the continuing operations.

A claim that had been filed in 2019 alleging breach of contract by the discontinued operation for the supply of products and associated damages was decided, in 2025, in favour of the claimant. This resulted in the Group making a cash payment of \$3.6m and recognising a \$1.6m expense charge for the discontinued operation, with the expense charge being the difference (primarily due to interest charges) between the provision made in the 2024 financial statements and the final settlement amount.

The results of the discontinued operation are as follows:

	31 December	
	2025 \$'000s	2024 \$'000s
Revenues	519	3,238
Expenses from operation and settlement amount	3,531	13,962
Loss from discontinued operation	(3,012)	(10,724)
Loss from valuation of fair value less cost to sell	-	(4,065)
Gain from disposal of discontinued operation	852	-
Disposal of capital reserves related to currency translation of a foreign operation	(3,990)	-
Tax expenses	-	9
Loss for the period attributable to discontinued operations	(6,150)	(14,798)

Note 5 – Goodwill

	31 December	
	2025 \$'000 Unaudited	2024 \$'000 Audited
Cost		
Balance at 1 January	11,070	12,763
Classified as held for sale	-	(1,593)
Disposal of subsidiary	(285)	-
Foreign exchange difference	-	(100)
Balance at 31 December	10,785	11,070
Accumulated impairment losses		
Balance at 1 January	(7,726)	-
Impairment losses for the year	-	(7,726)
Balance at 31 December	(7,726)	(7,726)
Carrying amount	3,059	3,344

During the financial year, the Group sold its AMS subsidiary resulting in the disposal of \$0.3m of goodwill.

Note 6 – Other alternative measures

The information set out below is for continuing operations:

Year ended 31 December 2025 (unaudited)	Reported results	Adjustments*	Adjusted results
	US\$ thousands		
Gross profit	40,064	320	40,384
Gross margin (%)	32.5%	-	32.8%
Operating profit	13,477	1,186	14,663
EBITDA	18,101	839	18,940

Year ended 31 December 2024 (audited)	Reported results	Adjustments*	Adjusted results
	US\$ thousands		
Gross profit	36,800	432	37,232
Gross margin (%)	31.4%	-	31.7%
Operating (loss)/profit	(4,661)	8,430	3,769
EBITDA	7,116	942	8,058

(*) Adjusted to exclude amortisation, share-based payments, expenses related to corporate activity and in 2024 one-time impairment of intangible assets

EBITDA measurement

	Year ended 31 December	
	2025 \$'000 Unaudited	2024 \$'000 Audited
Operating profit/(loss)	13,477	(4,661)
Amortisation of intangible assets	347	680
Share-based payments	608	942
Depreciation	4,277	4,288
Impairment	-	6,809
Expenses related to corporate activity	231	-
Adj. EBITDA	18,940	8,058

Note 7 – Business Segments

The segment information reported below is for continuing operations:

Year ended 31 December 2025 (unaudited)

	Networks \$'000	Cyber \$'000	Diagnostics \$'000	Non-core \$'000	Total \$'000
Revenues	11,626	8,263	47,485	55,824	123,198
Gross profit	4,991	4,219	14,238	16,616	40,064
Operating profit/(loss)	(5,584)	488	16,927	1,646	13,477
Net finance expenses					(1,109)
Profit before tax					12,368

Year ended 31 December 2024 (audited)

	Networks \$'000	Cyber \$'000	Diagnostics \$'000	Non-core \$'000	Total \$'000
Revenues	8,550	13,131	38,617	57,038	117,336
Gross profit	4,139	5,387	10,733	16,541	36,800
Operating (loss)/profit	(4,693)	2,898	(1,721)	(1,145)	(4,661)
Net finance expenses					(722)
Loss before tax					(5,383)

Note 8 – Subsequent events

On 10 February 2026, the Group sold Laborator A.M.S 2000 SRL, for a consideration of \$1m in cash, to a laboratory group headquartered in Germany that provides agricultural, environmental, water, food and feed analysis.