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17 March 2025

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

**Full Year Results**

BATM (LSE: BVC; TASE: BVC), a leading provider of real-time technologies for networks and cyber solutions and medical laboratory systems, announces its full year results for the year ended 31 December 2024.

**Financial Summary\***

<b>\$m</b>	<b>2024</b>	<b>2023</b>
Revenue	117.3	116.7
Gross profit	36.8	38.3
Gross margin	31.4%	32.8%
Adj. operating profit**	3.8	5.9
Adj. EBITDA**	8.1	9.9
Adj. profit before tax**	3.0	5.9

- Cash and short-term investments at 31 December 2024 were \$31.6m (30 June 2024: \$32.6m)

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

\*\*Adjusted to exclude amortisation and impairments of intangible assets and non-cash share-based payments

**Operational Summary**

- Increase in total revenue achieved against a backdrop of challenging macroeconomic conditions, with strong growth in the Cyber and Diagnostics divisions offsetting lower revenues in the Networking division
- Implemented substantial operational changes – at a Group level and within the divisions – to align the business with the Group’s strategic vision
- Continued exploring potential opportunities to add capability to core activities through M&A and to divest non-core businesses resulting, post period, in an agreement to dispose of the Group’s entire shareholding in Progenetics Ltd for c. \$2m in cash
- During the year, the Group acted to ready its eco-med activities, which are non-core, for sale, with operations streamlined, including halving the workforce, to significantly reduce costs. The Group continues to seek to sell this business, but if a sale does not occur in 2025, it will be closed. Accordingly, the eco-med activities, which are loss making and a drain on the Group’s cash resources, have been classified as discontinued operations for the purpose of the Group’s financial reporting

**Cyber**

- Revenue and EBITDA increased year-on-year as the Group fulfilled its long-term contracts and won new orders for its advanced network encryption solutions, designed for the post-quantum era, from its long-standing government defence department customer
- Major milestone achieved by entering a strategic partnership with a significant global technology, engineering and defence group (the “Partner”) to globally distribute the Group’s cybersecurity solution to a variety of commercial markets and for critical national infrastructure
- A customised version of the Group’s advanced encryption platform was developed during the year, and the Group is on track to deliver the first units to the Partner in the first half of the current year

### **Networking**

- Towards the end of the year, the Group began to recover from the impact of the global telecommunications market challenges thanks to the actions it had taken to position the division for growth
- This included a management reorganisation, expansion of the sales & marketing team and refocused go-to-market strategy, which resulted in increased customer engagement and an uptick in orders from the fourth quarter
- While the recovery was later than anticipated, resulting in revenue for 2024 being lower than the prior year, the Group is pleased to note that the positive momentum has been sustained into the current year

### **Diagnostics**

- Growth was driven by the expansion of the Group's customer base for its distributed diagnostic products
- The Group also delivered its first orders for its new MDXlab molecular diagnostics instrument, which is designed to overcome the challenges faced by small- to medium-sized laboratories or point-of-care by offering an integrated, compact, cost-effective solution

**Commenting on the results, Moti Nagar, Chief Executive Officer of BATM, said:** "In 2024, we made significant progress in advancing our strategic vision, taking decisive measures to streamline our non-core businesses as we prepare them for sale. This strategic realignment has enabled us to focus our resources on our key activities that will drive our growth and value creation. Despite facing challenging market conditions, we achieved several important milestones. Most notably, we entered a partnership to deliver our cutting-edge encryption platform to commercial markets, which has long been a key objective for BATM. In our Networking division, we refocused our management and strengthened our sales & marketing efforts, which resulted in us securing several new Tier 1 customers and positions the business for a return to growth. Accordingly, we are already witnessing the positive effects of the initiatives we undertook in 2024, which, supported by a significant cash position, gives us every confidence that we will see strong positive momentum continuing in the current year."

### **Enquiries**

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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 Ran Noy, CFO, will be holding a webinar for analysts and investors on 19 March 2025 at 12.00pm GMT. To register to participate or submit a question in advance, please use the following link: <https://forms.gle/8GxpwfSKfzX4vNWd7>

### **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.*

## Strategy & Operational Update

In June 2023, the Group set out a clear strategy for the business to focus on its core strengths of cybersecurity, networks and diagnostics, and to dispose of non-core assets. While the macroeconomic and geopolitical conditions posed significant challenges to execution during the year, the Group implemented substantial operational changes to align the business with this strategic vision. This included establishing further Group-wide corporate functions, including a Chief Operating Officer, a Chief Marketing Officer and Head of Diagnostics Division, and enhanced cross-selling activities in the Networking and Cyber Divisions.

Significant changes were also made within the Group's core divisions. As discussed further below, in the Networking division there was a management reorganisation, expansion of the sales & marketing team and the go-to-market strategy was refocused. In the Cyber division, the Group achieved a major milestone in the execution on its strategy to expand its offering to non-governmental customers by entering an agreement with a significant partner to globally distribute the Group's advanced cybersecurity solution, which is quantum key distribution ("QKD") ready, to a variety of commercial markets. In the Diagnostics division, the Group reorganised its management, has refocused its sales strategy and expanded its channel partner relationships. The Group is already beginning to benefit from these actions, which position it well for 2025.

The Group continued exploring potential opportunities to add capability to its core activities through M&A, and to divest its non-core businesses. This resulted in the Group making its first disposal of a non-core asset in entering an agreement, post period, to sell its entire shareholding in Progenetics Ltd. Efforts are also well underway to sell the Group's eco-med business, which was readied for sale during the year. The Group continues to seek to sell this business, but if a sale does not occur in 2025, it will be closed. Accordingly, the eco-med activities have been classified as discontinued operations for the purpose of the Group's financial reporting.

Furthermore, the Group's trading in respect of the year ended 31 December 2024 has reinforced the Board's view of the strength of its core expertise and its determination to accelerate the restructuring and streamlining of the Group as the business environment normalises.

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### Cyber Division

<b>\$m</b>	<b>2024</b>	<b>2023</b>
<b>Revenue</b>	13.1	10.3
<b>Gross margin*</b>	41.0%	40.8%
<b>EBITDA*</b>	3.4	2.4

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

The Cyber division provides integrated hardware and software solutions for network encryption, including hardware security modules (HSMs). It is a strategic provider to large government agency clients, primarily involving the security of mission critical infrastructure. The Group is also in the process of diversifying its cyber offering to target commercial markets.

There was a significant increase in revenue as the Group delivered on its long-term contracts and won new orders. During the year, the Group received and delivered new orders totalling over \$2.3m from its long-standing government defence department customer, which included a contract for developing a next-generation encryption solution that is QKD ready to address the technological demands of the next computing era.

The Group achieved a major milestone during the year by entering a strategic partnership with a significant global technology, engineering and defence group (the "Partner") to deliver the Group's advanced

cybersecurity solution, which is QKD ready, to a variety of commercial markets and for critical national infrastructure. The Partner, which generated revenue of over \$11bn in 2024 and serves customers in more than 100 countries, will distribute a customised version of BATM’s advanced encryption platform globally, with exclusivity in certain territories. During the year, a customised version of the Group’s encryption platform was developed, and the Group is on track to deliver the first units to the Partner in the first half of the current year.

The introduction of BATM’s cybersecurity solution to non-governmental customers has long been an important objective and represents a significant expansion of the total addressable market, with the collaboration with the Partner expected to significantly boost the Group’s commercial market entry by providing worldwide distribution networks and a partner with the resources to engage in considerable sales & marketing activities. The Group is also seeking to establish further partnerships as it builds this new channel to market.

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### Networking Division

\$m	2024	2023
<b>Revenue</b>	8.5	19.8
<b>Gross margin*</b>	52.5%	47.1%
<b>EBITDA*</b>	(3.4)	1.7

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

The Networking division provides high-performance connectivity solutions for the network edge, including:

- the innovative Edgility edge virtualisation and management platform that enables the deployment and life-cycle management of apps, virtual network functions and compute devices at the edge of the network; and
- a broad portfolio of carrier grade switching and routing hardware and software products (carrier ethernet).

While the underlying demand for network expansion and optimisation remains high, revenue in the Networking division continued to be impacted by the global slowdown in the telecommunications industry, with macroeconomic challenges resulting in organisations pausing or delaying purchasing decisions. The reduction in EBITDA reflects the lower revenue, with the division continuing to deliver high-margin products.

The Group took decisive action during the year to address the ongoing challenges and to position itself for growth as conditions improve. This included a management reorganisation, expansion of the sales & marketing team and refocused go-to-market strategy. The Group hired salespeople for Latin America and a new lead for carrier ethernet sales in North America. A new team was established to focus on expanding the Group’s global channel partners, such as value-added resellers, systems integrators and distributors, with new partners being onboarded during the year.

The Group’s go-to-market strategy has been refocused on the new feature-rich and cost-effective X-Series portfolio in carrier ethernet and on selling its Edgility solution under several Edgility FlexConnect packages that include different applications and deployment models – from prepackaged software and hardware to fully customisable – to suit customer requirement. In particular, the Group is focused on promoting its Edgility FlexConnect family of products that offers prepackaged hardware and software solutions, which are designed to be quicker and simpler to implement to solve immediate customer pain points while also reducing the length of the sales cycle for the Group.

These actions resulted in increased customer engagement, with a number of new customer wins, as discussed further below, and an uptick in orders from the fourth quarter of the year. The orders secured in

Q4 2024, which are primarily for delivery in 2025, were over double the value of orders secured in any other quarter during the year.

#### *Edgility edge virtualisation and management platform*

The Group signed a three-year agreement to provide Edgility to replace the incumbent network virtualisation solution of one of the largest telecommunications companies in Mexico. The customer will deploy Edgility to fully virtualise, orchestrate and manage at scale its enterprise connectivity services provided to enterprise and small- to medium-sized businesses. During the year, the Group received orders worth over \$2.4m, to be delivered over a three-year period, and expects to receive more orders in the current year as the customer expands the number of Edgility licences and extends their duration.

In December 2024, Edgility secured another new customer with its selection by Axtel, a Tier 1 telecommunications service provider in Mexico, for the deployment of a self-developed customer experience application that utilises the Edgility solution. The Group has commenced generating initial revenue from this agreement, which it expects to increase as the strength of the Edgility-powered CX solution drives growth for Axtel through increasing customer loyalty and enhancing their competitive position. In addition, Axtel has informed the Group of their intention to expand their use of Edgility to include the Group's managed router-firewall service. This follows recent trends in the market as operators seeks alternatives to previously-utilised Chinese-based solutions.

BATM was awarded an additional contract for Edgility from Cemex, S.A.B. de C.V. (NYSE: CX) ("Cemex"), a leading global building materials company, following the successful rollout of the solution to Cemex sites across Europe and Central and South America. This latest contract extends the original five-year licence agreement entered into in 2021 by a further two years and includes additional professional services to support the ongoing deployment. This further contract demonstrates the value of Edgility to Cemex and highlights the recurring nature of Edgility revenue.

Edgility continued to undergo evaluation and proof-of-concepts with leading network operators, multi-service providers, partners and systems integrators worldwide. This included a global managed network services provider completing a successful proof-of-concept of Edgility, with one of its end customers that provides critical international infrastructure, which is now entering the next phase of the sales cycle.

#### *Carrier ethernet solutions*

The Group continued the development of new products to expand and refresh its carrier ethernet offering. The new X-series portfolio was launched towards the end of the year, which offers a wide selection of cost-effective, fully scalable devices, with initial orders received in each of the Group's target regions. The Group is currently going through an approval process for one of the new products with a Tier 1 communications service provider in Mexico, which, if successful, would represent a significant strategic opportunity.

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#### **Diagnostics Division**

<b>\$m</b>	<b>2024</b>	<b>2023</b>
<b>Revenue</b>	38.6	33.3
<b>Gross margin*</b>	28.0%	31.0%
<b>EBITDA*</b>	3.2	3.0

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

The Diagnostics division is mainly engaged in the sale and distribution of in vitro diagnostics reagents and instruments, including the development and production of proprietary products. Its proprietary product development is focused on molecular diagnostics by test type and infectious disease by application area.

During the year, the Group reorganised its management and refocused its go-to-market approach for its proprietary products to prioritise reagent sales, which are a higher margin and consumable product. The Group intends to provide its instruments on a lease basis, or as a lower-margin sale, alongside a reagent agreement to secure long-term, repeatable orders. The Group is targeting public hospitals, large private clinics and laboratories and large tenders.

Revenue in the Diagnostics division increased by 16%, with growth driven by expansion of the Group's customer base for its distributed diagnostic products. The reduction in gross margin was due to the contribution to revenue from instruments that carry lower margin. This was more than offset by the higher revenue resulting in adjusted EBITDA increasing to \$3.2m.

During the year, the Group's portfolio of MOLgen MDX syndromic panels for infectious disease was registered with the Italian Ministry of Health, which enabled sales to commence in Italy. These panels, which are part of the Group's molecular diagnostics offering, use the syndromic testing process to simultaneously test for multiple pathogens with overlapping symptoms to reduce the time to diagnosis. Sales commenced during the year, including the Group successfully already winning a €1m tender at a major hospital in Italy.

The Group commenced receiving orders for, and generating revenue from, its MDXlab molecular diagnostics instrument based on the real-time PCR method, which it launched at the end of 2023. Most of today's mid-size laboratories will either have two instruments to undertake the different steps within the PCR process or they will have a large integrated instrument, which is not suitable for small- to medium-sized laboratories or point-of-care. MDXlab is designed to overcome these limitations by offering an integrated, compact, cost-effective solution.

Work continued towards the commercial launch of EXTRALab NGS Prep, which was distributed to channel partners in Europe towards the end of the year. EXTRALab NGS Prep is a new molecular diagnostics instrument that expands the capabilities of the Group's existing EXTRALab with regards to NGS library preparation.

ADOR Diagnostics, an associate company of the Group that is developing the disruptive NATlab molecular biology platform, successfully completed pre-clinical validation of the NATlab process, utilising a prototype instrument, at the Tzafom Medical Center, a hospital in Israel. This generated valuable insights, which ADOR used to enhance its biological process and improve the NATlab product. During the year, ADOR commenced the pre-clinical validation phase for the full NATlab product at the Lazzaro Spallanzani National Institute for Infectious Diseases, an infectious disease hospital in Rome, Italy. In addition, ADOR, in collaboration with the Tzafom Medical Center, received a grant from the Israel Innovation Authority to develop a NATlab panel for the diagnosis of stomach ulcers. The total value is NIS 3.4m (c. \$1m), which is to be granted over two years based on the achievement of milestones.

Post year end, ADOR was pleased to welcome the Rt. Hon Nadhim Zahawi as Chairman of its Advisory Board. Mr. Zahawi, who brings a wealth of experience in business and government, including being former Chancellor of the Exchequer of the British Government and Minister for COVID-19 Vaccine Deployment, will provide strategic guidance and advice to support ADOR as it enters the next phase of its growth strategy. In addition, ADOR was granted a further European patent, bringing the total number of patents granted to four in the EU, three in the US, two in the UK and five internationally, with a further seven patents pending, reflecting the significant intellectual property that ADOR is building.

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## Non-core Activities

<b>\$m (For continuing operations)</b>	<b>2024</b>	<b>2023</b>
<b>Revenue</b>	57.0	53.2
<b>Gross margin*</b>	29.0%	27.8%
<b>EBITDA*</b>	4.9	2.9

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

During the year, the Group made significant progress on executing on its strategy to exit its non-core activities. The Group continued to explore opportunities to divest its non-core businesses and took action to ready its eco-med activities (which are now classified as discontinued operations) for sale, with operations streamlined, including halving the workforce, to significantly reduce costs. Post year end, the Group was pleased to make its first disposal of a non-core asset with it entering into an agreement to sell its entire shareholding in Progenetics Ltd for approximately \$2m in cash.

The Group's continuing non-core activities include its businesses focused on the distribution of pharmaceutical and environmental monitoring products, and the administering of diagnostic tests. The growth in revenue from continuing operations was primarily from the Group's test administration activities. The gross margin improvement reflects the increased contribution to revenue from sales of own-brand products. As a result of the higher revenue and improvement in gross margin, there was significant growth in adjusted EBITDA.

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## Financial Review

<b>\$m (For continuing operations – see note 4)</b>	<b>Adjusted*</b>		<b>Reported</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Revenue</b>	117.3	116.7	117.3	116.7
<b>Gross margin</b>	31.7%	33.2%	31.4%	32.8%
<b>Operating profit</b>	3.8	5.9	(4.7)	2.7
<b>EBITDA</b>	8.1	9.9	7.1	7.4

\* Adjusted to exclude amortisation and impairment of intangible assets and non-cash share-based payments

Total Group revenue was \$117.3m (2023: \$116.7m). This increase reflects strong revenue growth in the Cyber and Diagnostics divisions as well as an increase in the Group's non-core activities, which offset lower revenues in the Networking division.

Gross margin was 31.4% (2023: 32.8%), with the reduction primarily reflecting revenue mix, and gross profit was \$36.8m (2023: \$38.3m).

Sales and marketing expenses were \$19.6m (2023: \$18.3m), general and administrative expenses were \$12.8m (2023: \$14.0m) and R&D expenses were \$4.6m (2023: \$4.4m). This includes a reduction in share-based payments (a non-cash expense) to \$0.9m (2023: \$2.5m), which is largely recognised in the lower general and administrative expenses. The Group recognised other operating expenses of \$4.5m (2023: \$1.2m income), which primarily reflects a one-time non-cash impairment cost of \$6.9m partly offset by a \$1.8m reduction in liabilities and other income of \$0.6m including proceeds from the disposal of a property. The impairment primarily comprises goodwill for acquisitions of companies in the Group's non-core activities.

On an adjusted basis, to exclude amortisation and the one-time impairment of intangible assets and non-cash share-based payments, operating profit was \$3.8m (2023: \$5.9m), with the reduction primarily



reflecting the lower gross profit. On a reported basis, there was an operating loss of \$4.7m (2023: \$2.7m profit), which is primarily due to the one-time impairments. Adjusted EBITDA was \$8.1m for 2024 compared with \$9.9m for the prior year.

Loss before tax was \$5.4m (2023: \$2.8m profit), as outlined above. On an adjusted basis, there was a profit of \$3.0m.

The Group recorded a tax expense of \$1.7m (2023: \$0.8m) and share of loss of a joint venture and associated companies was \$0.3m (2023: \$0.8m).

Net loss from continuing operations was \$7.5m (2023: \$1.2m profit) and loss per share was 1.72¢ (2023: 0.27¢ earnings).

The Group recorded a loss from discontinued operations of \$14.8m (2023: \$1.4m loss), which primarily reflects impairments following the operations becoming classified as discontinued (see note 4).

Net cash from operations (before interest and tax) was \$1.7m compared with an \$8.1m in 2023.

The Group continues to have a strong balance sheet, with cash and short-term investments at 31 December 2024 of \$31.6m (30 June 2024: \$32.6m; 31 December 2023: \$40.8m).

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## Outlook

Trading in the new financial year has begun in-line with management's expectations as the Group increasingly benefits from the strategic actions taken during 2024. In particular, the momentum that was experienced in the Networking division in Q4 2024 has been sustained into the current year, with a strong increase in orders received to date in both the Edgility and carrier ethernet offerings.

The largest contributor to the Group's revenue growth in 2025 is expected to be the Networking division as the expansion of the sales team and refocused go-to-market strategy drive increasing sales. The Group is also encouraged by the improving telecommunications market backdrop, with customers recommencing purchasing as they begin to replenish their inventory levels to support growing demand.

The Diagnostics division is expected to make a significant contribution to the Group's revenue growth in 2025 as it executes on its new go-to-market approach and ramps up sales of MDXlab. The Cyber division is also expected to deliver strong growth as it continues to service its long-standing government defence department customer as well as receive initial revenue from the delivery of its encryption solution for the commercial markets.

The Board is continuing to actively pursue M&A and disposal opportunities that will enable the Group to accelerate execution on its growth strategy in its core divisions.

As a result, the Board continues to look to the future with confidence.

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

	Year ended 31 December	
	2024	2023
	\$'000	\$'000
	<u>Unaudited</u>	<u>Unaudited</u>
Revenues	117,336	116,729
Cost of revenues	80,536	78,425
<b>Gross profit</b>	<b><u>36,800</u></b>	<b><u>38,304</u></b>
<b>Operating expenses</b>		
Sales and marketing expenses	19,582	18,261
General and administrative expenses	12,790	14,024
Research and development expenses	4,636	4,443
Other operating expenses (income)	4,453	(1,155)
<b>Total operating expenses</b>	<b><u>41,461</u></b>	<b><u>35,573</u></b>
<b>Operating income (loss)</b>	<b><u>(4,661)</u></b>	<b><u>2,731</u></b>
Finance income	665	1,329
Finance expenses	(1,387)	(1,288)
<b>Profit (loss) before tax</b>	<b><u>(5,383)</u></b>	<b><u>2,772</u></b>
Income tax expenses	(1,728)	(776)
<b>Profit (loss) for the year before share of loss of a joint venture and associated companies</b>	<b><u>(7,111)</u></b>	<b><u>1,996</u></b>
Share of loss of a joint venture and associated companies	345	822
<b>Profit (loss) for the year from continuing operations</b>	<b><u>(7,456)</u></b>	<b><u>1,174</u></b>
<b>Loss for the year from discontinued operations</b>	<b><u>(14,798)</u></b>	<b><u>(1,374)</u></b>
<b>Loss for the year</b>	<b><u>(22,254)</u></b>	<b><u>(200)</u></b>
<u>Attributable to:</u>		
Non-controlling interests	42	(7)
Owners of the Company	(22,296)	(193)
<b>Earnings (loss) per share (in cents):</b>		
Basic and diluted from continuing operations	<u>(1.72)</u>	<u>0.27</u>
Basic and diluted from discontinued operations	<u>(3.39)</u>	<u>(0.32)</u>
Basic and diluted	<u>(5.11)</u>	<u>(0.05)</u>

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

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
Loss for the year	(22,254)	(200)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translating foreign operations	(5,043)	3,112
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Re-measurement of defined benefit obligation	19	5
<b>Total other comprehensive income (loss) for the year</b>	<b>(5,024)</b>	<b>3,117</b>
<b>Total comprehensive income (loss) for the year</b>	<b>(27,278)</b>	<b>2,917</b>
<b>Attributable to:</b>		
Owners of the Company	(27,105)	2,759
Non-controlling interests	(173)	158
	<b>(27,278)</b>	<b>2,917</b>

**BATM ADVANCED COMMUNICATIONS LTD.  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	31 December	
	2024	2023
	\$'000	\$'000
	<u>Unaudited</u>	<u>Unaudited</u>
<b>Current assets</b>		
Cash and cash equivalents	25,898	32,339
Trade and other receivables	29,614	31,219
Short-term investment in deposits and other securities	5,672	8,425
Inventories	32,710	38,227
Disposal groups Held for Sale	4,660	-
	<u>98,554</u>	<u>110,210</u>
<b>Non-current assets</b>		
Property, plant and equipment	12,016	16,051
Investment property	548	612
Right-of-use assets	4,178	4,351
Goodwill	3,344	12,763
Intangible assets	8,004	8,019
Investment in joint venture and associate	17,802	17,894
Investments carried at fair value	1,220	1,220
Deferred tax assets	3,498	3,507
	<u>50,610</u>	<u>64,417</u>
<b>Total assets</b>	<u><b>149,164</b></u>	<u><b>174,627</b></u>
<b>Current liabilities</b>		
Short-term bank credit	4,261	3,276
Trade and other payables	36,691	41,662
Current maturities of lease liabilities	2,032	1,830
Tax liabilities	619	359
Liabilities associated with disposal groups Held for Sale	2,978	-
	<u>46,581</u>	<u>47,127</u>
<b>Non-current liabilities</b>		
Long-term bank credit	-	1,328
Long-term liabilities	6,588	3,449
Long-term lease liabilities	2,358	2,650
Deferred tax liabilities	-	39
Retirement benefit obligation	655	598
	<u>9,601</u>	<u>8,064</u>
<b>Total liabilities</b>	<u><b>56,182</b></u>	<u><b>55,191</b></u>
<b>Equity</b>		
Share capital	1,320	1,320
Share premium account	429,598	428,656
Reserves	(31,073)	(29,865)
Reserves associated with disposal groups Held for Sale	(3,620)	-
Accumulated deficit	(302,162)	(279,767)
	<u>(302,162)</u>	<u>(279,767)</u>
<b>Equity attributable to the:</b>		
Owners of the Company	94,063	120,344
Non-controlling interests	(1,081)	(908)
	<u>(1,081)</u>	<u>(908)</u>
<b>Total equity</b>	<u><b>92,982</b></u>	<u><b>119,436</b></u>
<b>Total equity and liabilities</b>	<u><b>149,164</b></u>	<u><b>174,627</b></u>

**BATM ADVANCED COMMUNICATIONS LTD.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**Year ended 31 December 2024 (Unaudited)**

	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
<b>Balance as at 1 January 2024</b>	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)
<b>Total comprehensive loss for the year</b>	-	-	<b>(4,828)</b>	-	-	<b>(22,277)</b>	<b>(27,105)</b>	<b>(173)</b>	<b>(27,278)</b>
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)	-	-	-	-
<b>Balance as at 31 December 2024 (unaudited)</b>	<b>1,320</b>	<b>429,598</b>	<b>(24,300)</b>	<b>(6,773)</b>	<b>(3,620)</b>	<b>(302,162)</b>	<b>94,063</b>	<b>(1,081)</b>	<b>92,982</b>

**Year ended 31 December 2023 (Unaudited)**

	Share capital	Share premium account	Translation reserve	Other reserve	Accumulated deficit	Attributable to owners of the Company	Non-controlling interests	Total equity
<b>Balance as at 1 January 2023</b>	1,320	426,138	(26,039)	(6,773)	(279,579)	115,067	(1,066)	114,001
Loss for the year	-	-	-	-	(193)	(193)	(7)	(200)
Re-measurement of defined benefit obligation	-	-	-	-	5	5	-	5
Exchange differences on translating foreign operations	-	-	2,947	-	-	2,947	165	3,112
<b>Total comprehensive income (loss) for the year</b>	-	-	<b>2,947</b>	-	<b>(188)</b>	<b>2,759</b>	<b>158</b>	<b>2,917</b>
Recognition of share-based payments	-	2,518	-	-	-	2,518	-	2,518
<b>Balance as at 31 December 2023</b>	<b>1,320</b>	<b>428,656</b>	<b>(23,092)</b>	<b>(6,773)</b>	<b>(279,767)</b>	<b>120,344</b>	<b>(908)</b>	<b>119,436</b>

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

	Year ended 31 December	
	2024	2023
	\$'000	\$'000
	<u>Unaudited</u>	<u>Unaudited</u>
<b>Net cash from continuing operating activities (Appendix A)</b>	<b>153</b>	<b>7,401</b>
<b>Net cash used in discontinued operating activities</b>	<b>(1,806)</b>	<b>(2,392)</b>
<b>Investing activities</b>		
Purchases of property, plant and equipment	(700)	(2,366)
Increase of intangible assets	(2,707)	(2,510)
Investment in joint venture and associated companies	(1,378)	(2,060)
Purchases of deposits and financial assets	(8,744)	(1,879)
Proceeds on disposal of property, plant and equipment	791	228
Proceeds on disposal of deposits and securities	11,526	2,777
<b>Net cash used in investing activities – Continuing Operations</b>	<b>(1,212)</b>	<b>(5,810)</b>
<b>Net cash used in investing activities – Discontinued Operations</b>	<b>(4)</b>	<b>(310)</b>
<b>Financing activities</b>		
Lease payment	(2,098)	(1,938)
Bank loan repayment	(2,458)	(7,498)
Bank loan received	2,359	7,500
Dividend paid to non-controlling interests holding put option	(118)	-
<b>Net cash used in financing activities – Continuing Operations</b>	<b>(2,315)</b>	<b>(1,936)</b>
<b>Net cash used in financing activities – Discontinued Operations</b>	<b>(297)</b>	<b>(224)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(5,480)</b>	<b>(3,271)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>32,339</b>	<b>35,156</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	(961)	454
<b>Cash and cash equivalents at the end of the year</b>	<b>25,898</b>	<b>32,339</b>

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

**APPENDIX A**

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

	<u>Year ended 31 December</u>	
	<u>2024</u> \$'000 Unaudited	<u>2023</u> \$'000 Unaudited
<b>Operating profit (loss) from continuing operations</b>	<b>(4,661)</b>	<b>2,731</b>
<b>Adjustments for:</b>		
Amortisation of intangible assets	680	621
Depreciation of property, plant and equipment and investment property	4,288	4,058
Impairment of goodwill and intangible assets	6,809	-
Capital gain of property, plant and equipment	(263)	(19)
Share-based payments	942	2,518
Increase in retirement benefit obligation	16	24
<b>Operating cash flow before movements in working capital</b>	<b>7,811</b>	<b>9,933</b>
Increase in inventory	(521)	(2,676)
Decrease (increase) in receivables	(1,197)	3,438
Decrease in payables	(2,630)	(3,903)
Effects of exchange rate changes on the balance sheet	(1,777)	1,337
<b>Cash from operations</b>	<b>1,686</b>	<b>8,129</b>
Income taxes paid	(1,291)	(694)
Interest paid	(242)	(34)
<b>Net cash from continuing operating activities</b>	<b>153</b>	<b>7,401</b>
<b>Net cash used in discontinued operating activities</b>	<b>(1,806)</b>	<b>(2,392)</b>

**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 2023, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The final results for the year ended 31 December 2024, 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 440,754,446 (2023: 440,546,454) 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 441,946,835 shares (2023: 441,313,447).

**Note 3 – Goodwill**

	31 December	
	2024 \$'000 Unaudited	2023 \$'000 Unaudited
<b>Cost</b>		
Balance at 1 January	12,763	12,583
Classified as held for sale*	(1,593)	-
Foreign exchange difference	(100)	180
Balance at 31 December	11,070	12,763
<b>Accumulated impairment losses</b>		
Balance at 1 January	-	-
Impairment losses for the year	(7,726)	-
Balance at 31 December	(7,726)	-
<b>Carrying amount</b>	<b>3,344</b>	<b>12,763</b>

\* See note 5 in respect of held for sale

During the financial year, the Group recognised an impairment loss from continuing operations of \$5.2m related to goodwill, out of which \$0.9m is related to an operation that was classified as held for sale, and an additional \$2.5m is related to an operation that was classified as discontinued operations.

The impairment test was conducted at the level of the cash-generating units (“CGUs”) to which the goodwill is allocated. The key assumptions used in the value-in-use calculations will be presented in the full annual report and accounts.

**Note 4 – Discontinued operations**

During the year, the Board resolved to dispose of the Group's non-core, eco-med operation. The operation, which is expected to be sold within 12 months, has been classified as a discontinued operation. The comparative consolidated statement of profit or loss has been re-presented to show the discontinued operation separately from the continuing operations.



During the reporting period, a claim with respect to the discontinued operation was pending regarding alleged breach of contract to supply products and resulting damages. To the extent that the management, based on the advice of its consultants, predicts that the claim may result in a required outflow of funds from the Group, the management, based on the advice of its legal advisers, is of the opinion that an adequate provision was made in the financial statements.

The results of the discontinued operation are as follows:

	Year ended 31 December	
	2024	2023
	\$'000s	\$'000s
	Unaudited	Unaudited
Revenues	3,238	6,101
Expenses	18,036	7,475
<b>Loss for the year attributable to discontinued operations</b>	<b>(14,798)</b>	<b>(1,374)</b>

A comprehensive disclosure will be provided in the full annual report and accounts.

## Note 5 – Held for sale

As part of the Group's strategy to divest its non-core businesses, the Group's Eco-med business and Provider of genetic test operations, which are part of the Group's non-core business, are presented as held for sale as the Group expects these operations to be disposed within of 12 months.

Efforts to sell the disposal group held for sale operations have commenced, and significant progress was made towards the disposal of one of the Group's businesses for the distribution of genetic tests, Progenetics Ltd. The Group has entered into an agreement, post year end, to sell its entire shareholding in Progenetics. The transaction values Progenetics at NIS 14m (c. \$4m), of which BATM will receive approximately \$2m in cash for its 51% shareholding.

### Impairment losses relating to the disposal groups

Impairment losses of \$5.1m for write-downs of the disposal group held for sale operations to the lower of its carrying amount and its fair value less costs to sell have been recognised on the classification of the operation as a discontinued operation.

A comprehensive disclosure will be provided in the full annual report and accounts.

## Note 6 – Other alternative measures

The information set out below is for continuing operations:

Year ended 31 December 2024 (Unaudited)	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

  

Year ended 31 December 2023 (Unaudited)	Reported results	Adjustments*	Adjusted results
	US\$ thousands		
Gross profit	38,304	394	38,698
Gross margin (%)	32.8%	-	33.2%
Operating profit	2,731	3,140	5,871
EBITDA	7,411	2,518	9,929

(\* ) Adjusted to exclude amortisation and one-time impairment of intangible assets and share-based payments.

## EBITDA measurement

	Year ended 31 December	
	2024	2023
	\$'000	\$'000
	Unaudited	Unaudited
Operating (loss)/profit	(4,661)	2,731
Amortisation of intangible assets	680	622
Share-based payments	942	2,518
Depreciation	4,288	4,058
Impairment	6,809	-
Adj. EBITDA	8,058	9,929

## Note 7 – Business Segments

The segment information reported below is for continuing operations,

### Year ended 31 December 2024 (Unaudited)

	Networking	Cyber	Diagnostics	Non-core	Total
	\$'000	\$'000	\$'000	\$'000	\$'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)

### Year ended 31 December 2023 (Unaudited)

	Networking	Cyber	Diagnostics	Non-core	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues	19,800	10,346	33,342	53,241	116,729
Gross profit	8,967	4,222	10,293	14,822	38,304
Operating profit/(loss)	(224)	1,496	334	1,125	2,731
Net finance income					41
Profit before tax					2,772