



1 March 2017

BATM Advanced Communications Limited
("BATM" or "the Group")

Trading Update and Notice of Results

BATM Advanced Communications Limited (LSE: BVC), a leading provider of real-time technologies for networking solutions and medical laboratory systems, announces an update on trading for the year ended 31 December 2016 (the "Period") ahead of announcing its final results for the Period on 8 March 2017.

The momentum achieved in the first half of the Period continued in the second half with a number of significant contracts across all divisions being announced, the majority of which will fall into 2017, giving the Group good visibility on revenues. The improvement has been largely driven by the Bio-Medical division which is expected to account for 57% of Group revenue for the Period.

Consequently, BATM is expected to report that its adjusted operating profit improved in the second half such that it expects to be profitable at this level for the Period. The Group also expects to report that EBITDA in the second half of the year was significantly ahead of the first half and that for FY 2016 there was a cash inflow compared with cash outflow in 2015.

As a result of certain expected revenue streams falling outside of the Period, BATM expects to report revenues of slightly more than \$90m for the Period. The delay in revenue was due to the delivery of a contract in the Cyber business moving from 2016 to 2017 as well as the timing of the closing of some significant tenders in the Telecom business. The delay in delivery of the contract in the Cyber business was due to the counterparty being late in integrating their services which meant BATM completing the supply of its goods and services in Q1 2017 instead of Q4 2016. The Group's customer has amended this contract with the total value increasing to \$5.2m from \$4.5m.

The Group remains optimistic in its outlook due to the visibility of revenues from contracts already signed as well as growth in the Bio-Medical division in which Adaltis, which received the investment from its Chinese Joint Venture partner before the end of the Period, is expected to accelerate its progress in 2017 and further enhance the already growing Diagnostics business.

The Group will provide full details at the time of its final results announcement.

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