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**For immediate release**

24 June 2019

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

**Proposed Fundraise to raise a minimum of US\$15 million**

BATM (LSE: BVC), a leading provider of real-time technologies for networking solutions and medical laboratory systems, today announces its intention to raise not less than US\$15 million (£11.8 million), before expenses, by way of a placing (the "**Placing**") and direct subscription ("**Subscription**") of new ordinary shares of 0.01 NIS each (together "**New Ordinary Shares**") in the Company at a price of 42.5 pence per New Ordinary Share ("**Issue Price**"), with certain eligible existing shareholders and new institutional and other investors (the Placing and the Subscription together being the "**Proposed Fundraise**").

Dr Zvi Marom, CEO of BATM, said: "Over the past three years, we have been made investments in our businesses that have enabled us to produce differentiated and best-in-class products that are now entering the commercialisation phase. In our Networking & Cyber division, we established a partnership with Arm to develop a network function virtualisation ("**NFV**") ecosystem based on their Neoverse architecture – becoming the only worldwide software vendor to provide NFV functionality to Arm and Intel platforms. The net proceeds of the Proposed Fundraise are expected to be utilised primarily to advance our NFV. Specifically, one of the main use of funds is to accelerate current NFV development projects with Arm as well as new product and use case development for 5G networks, which we believe is a key growth area for BATM in the short to medium term."

Shore Capital Stockbrokers Ltd ("**Shore Capital**") is acting as sole bookrunner (the "**Bookrunner**") in connection with the Placing. Rosario Capital Ltd and its subsidiaries ("**Rosario**") is acting as the Company's adviser solely in relation to the Subscription by certain institutional investors based in Israel.

## Highlights

- The Company intends to raise not less than US\$15 million in the Proposed Fundraise.
- The Proposed Fundraise is being conducted via an accelerated bookbuild (the “**Bookbuild**”) expected to close no later than 8 a.m. on 25 June 2019. The Bookbuild will be launched immediately following this announcement and the Bookbuild is subject to the terms and conditions set out in the Appendix to this announcement.
- The Company has received indications from a number of its largest existing shareholders that they will participate in the Proposed Fundraise.
- The net proceeds of the Proposed Fundraise are expected to be utilised as follows:
  - Networking & Cyber division (approx. 90% of funds raised):
    - potential acquisition opportunities;
    - acceleration of current NFV development projects with Arm;
    - new product and use case development for 5G (MEC);
    - completion of development of CyberGuard product for NFV use cases;
    - accelerating proof-of-concepts and working capital for existing NFV and cyber products; and
    - marketing and sales initiatives.
  - Bio-Medical division (approx. 10% of funds raised):
    - acceleration of current development, deployment and certifications (including patents) in molecular biology diagnostics; and
    - acceleration of agri-waste and pharma-waste treatment installations.
- Completion of the Proposed Fundraise is not subject to Shareholder approval and will be conducted under existing share capital authorities.
- The New Ordinary Shares will rank equally with the Company’s existing issued ordinary shares.

In addition, the Company is exploring a potential dual listing on the Tel Aviv Stock Exchange (TASE) to benefit from access to a wide range of investors and to create greater value for all shareholders.

## Company Highlights

- BATM is a provider of real-time technologies focusing on two application areas: networking & cyber, and bio-medical. The Group’s activities are built on strong patent-backed IP, based on its expertise in algorithms and software development. The Networking & Cyber division provides network function virtualisation, carrier ethernet and cyber network monitoring

solutions. The Bio-medical division is focused on medical diagnostic solutions and bio-waste treatment and sterilisation. Both divisions operate in large, growth markets.

- The Company believes that its two foremost growth opportunities are:
  - NFV: The Group’s operating system (NFVTime-OS) is the only commercially available solution to run on both Intel and Arm NFV platforms. The Group has a strategic partnership with Arm to advance the Arm-based NFV ecosystem, with the Group’s solution being integrated into the products of major chipmakers, including NXP Semiconductors. BATM is strategically well-placed to benefit as network functions become increasingly virtualised.
  - Molecular diagnostics: The Group’s joint venture, Ador Diagnostics, is developing a new product designed to enable rapid, accurate, sample-to-answer diagnosis of bacterial, viral or fungal infections in under an hour using DNA sampling. In January 2019, Ador secured up to US\$30 million of investment for this multiplexed molecular diagnostics system. The Group is targeting commercialisation in 2020.
- Recent developments in the Networking & Cyber division, include:
  - Launched a new technology under its long-standing partnership with NXP Semiconductors to enable a significant increase in network traffic, without requiring an increase in computing power, when licensing the Group's NFVTime on certain NXP processors built on Arm core technology.
  - Entered into a strategic technology partnership with Clavister, a leader in high-performance cybersecurity solutions, to run its Arm-optimised virtualised cybersecurity platform on NFVTime.
  - Received an initial US\$2 million contract from a branch of a national armed forces, a new customer, for the provision of a combined cyber security and networking solution to be delivered over an approximate 18-month period.
- Recent developments in the Bio-medical division, include:
  - Completion of the initial investment of US\$14.5 million under the agreement for up to US\$30 million to provide additional funds for the commercialisation of the molecular biology-based solutions being developed by Ador Diagnostics.
  - Received a contract from a major food manufacturing group in the Philippines for the Group's agri-waste treatment solution - representing the Group's first customer for this solution outside of Israel.

**EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

**Dates**

Announcement of the Proposed Fundraise

24 June 2019

Completion of the Proposed Fundraise\*, Admission effective and dealings expected

8.00 a.m. on 1 July

to commence in the New Ordinary Shares on the Main Market

2019

New Ordinary Shares credited to CREST stock accounts\*

1 July 2019

\*Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service. References to time in this announcement are to London time.

### **Additional information on the Proposed Fundraise and the Bookbuild**

The final number of New Ordinary Shares to be issued pursuant to the Proposed Fundraise will be determined following the close of the Bookbuild.

The timing of the closing of the Bookbuild and allocations of the New Ordinary Shares are at the discretion of the Bookrunner (in the UK), Rosario (in Israel) and the Company. The details of the results of the Proposed Fundraise will be announced as soon as practicable after the close of the Bookbuild. Your attention is drawn to the detailed terms and conditions of the Proposed Fundraise described in Appendix 1 which forms part of this announcement.

By choosing to participate in the Proposed Fundraise and by making an oral and legally binding offer to acquire New Ordinary Shares, investors will be deemed to have read and understood this announcement in its entirety (including the Appendices) and to be making such offer on the terms and subject to the conditions in it, and to be providing the representations, warranties and acknowledgements contained in the Appendix.

The New Ordinary Shares will be allotted under the Company's existing shareholder authorities granted at the annual general meeting of the Company on 28 November 2018. The Company's Articles do not contain any pre-emption rights and there is therefore no obligation on the Company to first offer any New Ordinary Shares to existing shareholders of the Company in the Proposed Fundraise.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the premium segment of the Main Market. It is expected that Admission will become effective at 8.00 a.m. on 1 July 2019.

The Placing will be subject to the terms and conditions of the placing agreement to be entered into between the Bookrunner and the Company.

Further updates will be provided as and when appropriate.

### **Enquiries:**

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**Market Abuse Regulation**

This announcement is released by BATM Advanced Communications Limited and contains inside information for the purposes of the Market Abuse Regulation (EU) 596/2014 ("**MAR**") and is disclosed in accordance with the Company's obligations under Article 17 of MAR. The person who arranged for the release of this announcement on behalf of BATM Advanced Communications Limited was Dr Zvi Marom, Chief Executive Officer.

**Important Notices**

This announcement is for information purposes only and shall not constitute an offer to buy, sell, issue, or subscribe for, or the solicitation of an offer to buy, sell, issue, or subscribe for any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

The distribution of this announcement and the offering of the New Ordinary Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or Shore Capital that would permit an offering of such shares or possession or distribution of this announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company and Shore Capital to inform themselves about, and to observe such restrictions.

This announcement is being issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Shore Capital, Rosario nor any of their affiliates, agents, directors, officers, employees or advisers ("**Affiliates**") for the contents of this announcement, or any other written or oral information made available to or publicly available to any interested party or its advisers, or any other statement made or purported to be made by or on behalf of Shore Capital, Rosario or any of their Affiliates in connection with the Company or the Proposed Fundraise and any responsibility therefor is expressly disclaimed. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Shore Capital, Rosario or any of their Affiliates as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

## **Forward-looking statements**

Certain statements, beliefs and opinions in this announcement are forward-looking, which reflect the Company's or, as appropriate, the Company's directors' current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Except as required by applicable law or regulation, the Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this document.

## **Target Market Assessment**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended from time to time ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: (a) the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; (b) the New Ordinary Shares offer no guaranteed income and no capital protection; and (c) an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Shore Capital will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

## **Further notices**

Shore Capital is regulated by the FCA, is acting exclusively for the Company and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of Shore Capital or for providing advice in relation to the matters described in this announcement.

No statement in this announcement is intended to be a profit forecast or estimate, and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the New Ordinary Shares. Any investment decision to buy New Ordinary Shares in the Proposed Fundraise must be made on the basis of the terms and conditions set out in the Appendix to this announcement. The price of Ordinary Shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

## APPENDIX I: TERMS AND CONDITIONS OF THE PROPOSED FUNDRAISE

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THESE TERMS AND CONDITIONS ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE "QUALIFIED INVESTORS", AS DEFINED IN ARTICLE 2.1(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC), AS AMENDED (THE "PROSPECTUS DIRECTIVE"), (B) IF IN THE UNITED KINGDOM, PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS WHO FALL WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONALS" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED ("ORDER") OR FALL WITHIN THE DEFINITION OF "HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC." IN ARTICLE 49(2)(A) TO (D) OF THE ORDER AND (II) ARE "QUALIFIED INVESTORS" AS DEFINED IN SECTION 86 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED ("FSMA") OR (C) PERSONS TO WHOM IT MAY BE COMMUNICATED IN ACCORDANCE WITH THE ISRAELI SECURITIES LAW (D) PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (EACH, A "RELEVANT PERSON"). NO OTHER PERSON SHOULD ACT ON OR RELY ON THIS ANNOUNCEMENT AND PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. BY ACCEPTING THE TERMS OF THIS ANNOUNCEMENT, INVESTORS REPRESENT AND AGREE THAT THEY ARE A RELEVANT PERSON.

THESE TERMS AND CONDITIONS MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT OR THE PROPOSED FUNDRAISE RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

### *Introduction*

These terms and conditions apply to persons making an offer to acquire Placing Shares under the Proposed Fundraise. Each person to whom these conditions apply, as described above, who confirms his agreement to the Bookrunner (in the UK) or Rosario (in Israel) (whether orally or in writing) to acquire New Ordinary Shares under the Proposed Fundraise (an "**Investor**") hereby agrees with the Bookrunner, Rosario and the Company to be bound by the contract note issued by the Bookrunner (in the UK) or Rosario (in Israel) to such Investor and these terms and conditions, being the terms and conditions upon which Placing Shares will be sold under the Proposed Fundraise. An Investor shall, without limitation, become so bound when the Bookrunner (in the UK) or Rosario (in Israel) confirms to such Investor its allocation of Placing Shares under the Proposed Fundraise.

Upon being notified of its allocation of Placing Shares in the Proposed Fundraise, an Investor shall be contractually committed to acquire the number of Placing Shares allocated to them at the Placing Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment. Dealing may not begin before any notification is made.

**These terms and conditions of the Placing will also apply to the Subscription with the necessary changes.** The Subscription is being managed on behalf of the Company by Rosario in the State of Israel. Only Rosario will be acting for the Company in respect of the Subscription and Shore Capital has no involvement whatsoever and no liability to any party subscribing for Ordinary Shares being issued pursuant to the Subscription. The Subscription will be carried out and the terms and conditions relevant to the Subscription, will take place only in the State of Israel. For the avoidance of doubt, these terms and conditions together with the Tofes Hazmana issued by Rosario to Subscribers under the terms of the Subscription (Subscription Form), set out the full and complete offer of New



Ordinary Shares to Subscribers. While both the Placing and the Subscription would take place under the laws of England and Wales and be subject to the exclusive jurisdiction of the courts in England and Wales, the Israeli Securities Law and regulations promulgated thereunder (Israeli Securities Laws) will apply to the Subscription and to the extent that there is any conflict between the Israeli Securities Laws and the terms and conditions, the Israeli Securities Laws will take precedence in respect of the Subscription. Furthermore, the Company is incorporated under the laws of the State of Israel and to the extent it is relevant Israeli Companies law applies to the Company.

### ***Application for Admission***

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on the Main Market. Subject to the satisfaction or waiver of the conditions of the Placing Agreement (the "Conditions"), it is expected that Admission will take place and dealings in the Placing Shares will commence on 1 July on or around 8.00 a.m.

### ***Bookbuilding Process***

Commencing today, the Bookrunner will be conducting an accelerated bookbuilding process to determine demand for participation in the Placing by Placees (the "**Bookbuilding Process**"). At the same time Rosario will be carrying out the Subscription by inviting potential subscribers to participate in the Subscription. This Announcement gives details of the terms and conditions of, and the mechanics of participation in, the Placing, and to the extent not overridden by the Rosario Order, the Subscription. No commissions will be paid by or to Placees in respect of any participation in the Placing or subscription for Placing Shares.

### ***Participation in, and principal terms of, the Bookbuilding Process***

Participation in the Placing is by invitation only and will only be available to persons who may lawfully be, and are, invited to participate by the Bookrunner. The Bookbuilding Process will establish the number of Placing Shares to be issued pursuant to the Placing at the Placing Price.

The book will open with immediate effect. The Bookbuilding Process is expected to close not later than 8.00 am on 25 June 2019, but may be closed at such earlier or later time as the Bookrunner may, in its absolute discretion (after consultation with the Company), determine. A further announcement will be made following the close of the Bookbuilding Process detailing the number of New Ordinary Shares to be subscribed for by the Placees and the Subscribers at the Placing Price.

A bid in the Bookbuilding Process will be made on the terms and conditions in this Announcement and will be legally binding on the Placee on behalf of which it is made and, except with the Bookrunner's consent, will not be capable of variation or revocation after the close of the Bookbuilding Process.

A Placee who wishes to participate in the Bookbuilding Process should communicate its bid by telephone to its usual sales contact at the Bookrunner. Each bid should state the number of Placing Shares that the prospective Placee wishes to subscribe for at the Placing Price. If successful, the Bookrunner will re-contact and confirm orally to Placees following the close of the Bookbuilding Process the size of their respective allocations and a trade confirmation will be despatched as soon as possible thereafter. The Bookrunner's confirmation (either oral or written) of the size of allocations will constitute an irrevocable legally binding agreement in favour of the Company and the Bookrunner pursuant to which each such Placee will be required to accept the number of Placing Shares allocated to the Placee at the Placing Price and otherwise on the terms and subject to the conditions set out in these terms and in accordance with the Company's articles of association. Each Placee's allocation and commitment will be evidenced by a trade confirmation issued by the Bookrunner to such Placee. The terms of this Appendix will be deemed incorporated in that trade confirmation.

The Bookrunner reserves the right to scale back the number of Placing Shares to be subscribed by any Placee in the event that the Placing is oversubscribed. The Bookrunner also reserves the right not to accept offers to subscribe for Placing Shares or to accept such offers in part rather than in whole. The acceptance and, if applicable, scaling back of offers shall be at the absolute discretion of the Bookrunner.

Each Placee's obligations will be owed to the Company and to the Bookrunner. Following the oral confirmation referred to above, each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the Company and the Bookrunner, as agent of the Company, to pay to the Bookrunner (or as the Bookrunner may direct) in cleared funds on the date specified an amount equal to the product of the Placing Price and the number of Placing Shares allocated to such Placee.

To the fullest extent permissible by law, neither the Bookrunner, any subsidiary of the Bookrunner, any branch, affiliate or associated undertaking of the Bookrunner or of any such subsidiary nor any of their respective directors, officers, employees, agents or advisers ("**Bookrunner Affiliate**") nor any person acting on their behalf shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither the Bookrunner, any Bookrunner Affiliate nor any person acting on their behalf shall have any liability (including, to the extent legally permissible, any fiduciary duties), in respect of its conduct of the Bookbuilding Process or of such alternative method of effecting the Placing as the Bookrunner may determine.

All obligations of the Bookrunner under the Placing will be subject to fulfilment of the conditions referred to in this Announcement including without limitation those referred to below under "**Conditions of the Placing**".

### ***Conditions of the Placing***

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The obligations of the Bookrunner under the Placing Agreement are conditional, among other things, upon:

- (i) the release of this Announcement;
- (ii) **the Admission of the Placing Shares occurring not later than 1 July 2019 or such later time and/or date as the Bookrunner and the Company may agree (but in any event not later than 31 July 2019);**
- (iii) the warranties on the part of the Company contained in the Placing Agreement being true and accurate and not misleading on and as of the date of the Placing Agreement and at Admission;
- (iv) there not having arisen or occurred before either Admission any matter, fact, circumstance or event, such that in the opinion of the Bookrunner, a supplementary circular or announcement is required to be made unless a supplementary document has been published or an announcement has been released to a RIS; and
- (v) the Company having complied with its obligations under the Placing Agreement to the extent they fall to be performed prior to the Admission.

If (a) the Conditions of the Placing are not fulfilled (or to the extent permitted under the Placing Agreement waived by the Bookrunner), or (b) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and each Placee's rights and obligations arising under these terms shall cease and determine at such time and no claim may be made by a Placee in respect thereof.

Neither of the Bookrunner, any Bookrunner Affiliate, Rosario or the Company, nor any subsidiary of the Company, nor any branch, affiliate or associated undertaking of any such company nor any of their respective directors, officers and employees (each a "**Company Affiliate**") shall have any liability to any Placee or Subscriber (or to any other person whether acting on behalf of a Placee or a Subscriber or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition in the Placing Agreement or in respect of the Placing or the Subscription generally.

By participating in the Placing, each Placee agrees that the Bookrunner's rights and obligations in respect of the Placing may terminate, inter alia, in the circumstances described below under "**Right to terminate the Placing Agreement**".

### ***Right to terminate the Placing Agreement***

The Bookrunner has the right to terminate the Placing Agreement in certain circumstances prior to either Admission, in particular, where any warranty was, when given, untrue, inaccurate or misleading, or where any warranty is not, or has ceased to be, true, accurate or not misleading (or would not be true, accurate or not misleading if then repeated) by reference to the facts subsisting at the relevant time, where the Company has failed to comply with certain of its obligations under the Placing Agreement, or upon the occurrence of a force majeure event or a material adverse change in the financial or trading position or prospects of any member of the Group.

By participating in the Placing, each Placee agrees with the Bookrunner that the exercise by the Bookrunner of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Bookrunner and that the Bookrunner need not make any reference to the Placees in this regard and that, to the fullest extent permitted by law, neither the Company, the Bookrunner, any Bookrunner Affiliate nor any Company Affiliate shall have any liability whatsoever to the Placees in connection with any such exercise or failure to so exercise.

### ***No Prospectus***

No offering document or prospectus has been or will be prepared in relation to the Placing or the Subscription and no such prospectus is required (in accordance with the Prospectus Directive and the Israeli Securities Law) to be published or submitted to be approved by the FCA and Placees' commitments will be made solely on the basis of the information contained in this Announcement and any other Company announcement.

Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms to the Bookrunner, Rosario and the Company that it has neither received nor relied on any information, representation, warranty or statement made by or on behalf of the Bookrunner or Rosario (other than the amount of the relevant Placing participation in the oral confirmation given to Placees and the trade confirmation referred to below), any Bookrunner or Rosario Affiliate, any persons acting on its or their behalf or the Company or any Company Affiliate and neither the Bookrunner, Rosario, any Bookrunner or Rosario Affiliate, nor any persons acting on their behalf, the Company, any Company Affiliate nor any persons acting on their behalf will be liable for the decision of any Placee to participate in the Placing based on any other information, representation, warranty or statement which the Placee may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons). By participating in the Placing, each Placee acknowledges to and agrees with its respective Bookrunner, for itself and as agent for the Company that (except for, in relation to the Company, the information contained in this Announcement) it has relied on its own investigation of the business, financial or other position of the Company in deciding whether to participate in the Proposed Fundraise. Nothing in this paragraph shall exclude the liability of any person for fraud or fraudulent misrepresentation.

### ***Registration and settlement***

Settlement of transactions in the Placing Shares (and/or the DIs) following Admission will take place within the CREST system, using the delivery versus payment mechanism, subject to certain exceptions. The Bookrunner reserve the right to require settlement for and delivery of the Placing Shares to Placees by such other means as they may deem necessary, including, without limitation, if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

The expected timetable for settlement will be as follows:

|   |              |
|---|--------------|
| Trade Date                                | 26 June 2019 |
| Settlement Date                           | 1 July 2019  |
| ISIN Code                                 | IL0010849045 |
| SEDOL                                     | 0911146      |
| Deadline for input instruction into CREST | 26 June 2019 |

Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation stating the number of Placing Shares allocated to it, the Placing Price, the aggregate amount owed by such Placee to the Bookrunner and settlement instructions. Placees should settle against the CREST ID provided to them by the Bookrunner. It is expected that such trade confirmation will be despatched on the expected trade date shown above. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions which it has in place with the Bookrunner, as applicable.

It is expected that settlement will take place on the relevant Settlement Dates shown above on a delivery versus payment basis in accordance with the instructions set out in the trade confirmation unless otherwise notified by the Bookrunner.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of **two percentage points above the base rate of HSBC Bank Plc.**

Each Placee is deemed to agree that if it does not comply with these obligations, the Bookrunner may sell any or all of the Placing Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for the relevant Bookrunner's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, the Placee should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in the Placee's name or that of its nominee or in the name of any person for whom the Placee is contracting as agent or that of a nominee for such person, such Placing Shares will, subject as provided below, be so registered free from any liability to any levy, stamp duty or stamp duty reserve tax. If there are any circumstances in which any other stamp duty or stamp duty reserve tax is payable in respect of the issue of the Placing Shares, neither the Bookrunner nor the Company shall be responsible for the payment thereof. Placees will not be entitled to receive any fee or commission in connection with the Placing.

#### ***Agreement to acquire Placing Shares***

Conditional on Admission occurring and becoming effective by 8.00 a.m. (London time) on 1 July 2019 (or such later time and/or date as the Company and the Bookrunner may agree) and on the Placing Agreement being otherwise unconditional in all respects and not having been terminated in accordance with its terms on or before Admission, an Investor agrees to become a member of the Company and agrees to acquire Placing Shares at the Placing Price. The number of Placing Shares acquired by such Investor under the Placing shall be in accordance with the arrangements described above.

### ***Payment for Placing Shares***

Each Investor undertakes to pay the Placing Price for the Placing Shares acquired by such Investor in such manner and at such time as shall be directed by the Bookrunner (in the UK) or Rosario (in Israel). In the event of any failure by an Investor to pay as so directed, the relevant Investor shall be deemed hereby to have appointed the Bookrunner (in the UK) or the Company (in Israel) or their nominees to sell (in one or more transactions) any or all of the Placing Shares in respect of which payment has not been made as so directed and to have agreed to indemnify on demand that Bookrunner or the Company in respect of any liability for stamp duty and/or stamp duty reserve tax arising in respect of any such sale or sales.

### ***Representations and warranties***

By receiving this announcement, each Investor and, to the extent applicable, any person confirming his agreement to acquire Placing Shares on behalf of an Investor or authorising Bookrunner to notify an Investor's name to the Registrars, is deemed to acknowledge, agree, undertake, represent and warrant to the Bookrunner, the Registrars and the Company that:

- (i) the Investor has read this Announcement in its entirety and acknowledges that its participation in the Placing shall be made solely on the terms and subject to the conditions set out in these terms and conditions, the Placing Agreement and the Articles. Such Investor agrees that these terms and conditions and the contract note issued by the Bookrunner to such Investor represent the whole and only agreement between the Investor, the Bookrunner and the Company in relation to the Investor's participation in the Placing and supersedes any previous agreement between any of such parties in relation to such participation. Accordingly, all other terms, conditions, representations, warranties and other statements which would otherwise be implied (by law or otherwise) shall not form part of these terms and conditions. Such Investor agrees that none of the Company, the Bookrunner nor any of their respective officers, advisors or directors will have any liability for any such other information or representation and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation;
- (ii) the content of this Announcement is exclusively the responsibility of the Company and the Directors and that neither the Bookrunner, nor Rosario nor any person affiliated with them or acting on their behalf is responsible for or shall have any liability for any information, representation or statement contained in this Announcement or any information previously published by or on behalf of the Company or any member of the Group and will not be liable for any decision by an Investor to participate in the Proposed Fundraise based on any information, representation or statement contained in this Announcement or otherwise;
- (iii) the Investor has not relied on either the Bookrunner or Rosario or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this announcement or its investment decision;
- (iv) in agreeing to acquire Placing Shares under the Proposed Fundraise, the Investor is relying on this Announcement and not on any draft hereof or other information or representation concerning the Group, the Proposed Fundraise or the Placing Shares. Such Investor agrees that neither the Company nor the Bookrunner nor Rosario nor their respective officers, directors, advisors or employees will have any liability for any such other information or representation and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation;
- (v) the Bookrunner and Rosario are not making any recommendations to Investors or advising any of them regarding the suitability or merits of any transaction they may enter into in connection with the Proposed Fundraise, and each Investor acknowledges that participation in the Proposed Fundraise is on the basis that it is not and will not be a client of the Bookrunner or Rosario and that the Bookrunner and Rosario are acting for the Company and no one else, and the Bookrunner and Rosario will not be responsible to anyone else for the protections afforded to its clients, and that the Bookrunner and Rosario will not be

responsible for anyone other than the Company for providing advice in relation to the Proposed Fundraise, the contents of this Announcement or any transaction, arrangements or other matters referred to in this Announcement, and the Bookrunner and Rosario will not be responsible for anyone other than the relevant parties to the Placing Agreement in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement or for the exercise or performance of the Bookrunner's rights and obligations thereunder, including any right to waive or vary any condition or exercise any termination right contained in the Placing Agreement;

- (vi) save in the event of fraud on its part (and to the extent permitted by the rules of the Financial Conduct Authority), neither of the Bookrunner nor Rosario nor any of their directors, advisors or employees shall be liable to an Investor for any matter arising out of the role of the Bookrunner as the Company's broker or advisor or sponsor or otherwise, and that where any such liability nevertheless arises as a matter of law each Investor will immediately waive any claim against the Bookrunner, Rosario and their respective directors and employees which an Investor may have in respect thereof and to the extent permitted by law;
- (vii) the Investor has complied with all applicable laws and such Investor will not infringe any applicable law as a result of such Investor's agreement to acquire Placing Shares under the Proposed Fundraise and/or acceptance of these terms or any actions arising from such Investor's rights and obligations under the Investor's agreement to acquire Placing Shares under the Proposed Fundraise and/or acceptance of these terms or under the Articles;
- (viii) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of necessary consents) in order: (i) to enable the Investor lawfully to enter into, and exercise its rights and perform and comply with its obligations to acquire the Placing Shares under the Proposed Fundraise; and (ii) to ensure that those obligations are legally binding and enforceable, have been taken, fulfilled and done. The Investor's entry into, exercise of its rights and/or performance under, or compliance with its obligations under the Proposed Fundraise, does not and will not violate: (a) its constitutional documents; or (b) any agreement to which the Investor is a party or which is binding on the Investor or its assets;
- (ix) it understands that no action has been or will be taken in any jurisdiction by the Company, or the Bookrunner or Rosario or any other person that would permit a public offering of the Placing Shares, or possession or distribution of this Announcement, in any country or jurisdiction where action for that purpose is required; and that, if the Investor is in a relevant EEA member state, it is: (i) a legal entity which is authorised or regulated to operate in the financial markets or, if not so authorised or regulated, its corporate purpose is solely to invest in securities; (ii) a legal entity which has two or more of: (a) an average of at least 250 employees during the last financial year; (b) a total balance sheet of more than €43,000,000; and (c) an annual net turnover of more than €50,000,000, in each case as shown in its last annual or consolidated accounts; (iii) otherwise permitted by law to be offered and sold Placing Shares in circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive or other applicable laws; or (iv) in the case of any Placing Shares acquired by an Investor as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, either:
  - (A) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their placing or resale to, persons in any relevant member state other than qualified investors, as that term is defined in the Prospectus Rules, or in circumstances in which the prior consent of the Bookrunner has been given to the placing or resale; or
  - (B) where Placing Shares have been acquired by it on behalf of persons in any relevant member state other than qualified investors, the placing of those Placing Shares to it is not treated under the Prospectus Rules as having been made to such persons;

- (x) to the fullest extent permitted by law, the Investor acknowledges and agrees to the disclaimers contained in this Announcement and acknowledges and agrees to comply with the selling restrictions set out in this Announcement;
- (xi) the Placing Shares have not been and will not be registered under the Securities Act or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada, Japan, Israel or the Republic of South Africa or where to do so may contravene local securities laws or regulations;
- (xii) the Investor is, and at the time the Placing Shares are acquired, will be located outside the United States and eligible to participate in an "offshore transaction" as defined in and in accordance with Regulation S;
- (xiii) the Investor is not acquiring the Placing Shares as a result of any "directed selling efforts" as defined in Regulation S or as a result of any form of general solicitation or general advertising (within the meaning of Rule 502(c) of Regulation D under the Securities Act);
- (xiv) if it is acquiring the Placing Shares for the account of one or more other persons, it has full power and authority to make the representations, warranties, agreements and acknowledgements herein on behalf of each such account;
- (xv) the Investor is acquiring the Placing Shares for investment purposes only and not with a view to any resale, distribution or other disposition of the Placing Shares in violation of the Securities Act or any other United States federal or applicable state securities laws;
- (xvi) the Company is not obliged to file any registration statement in respect of resales of the Placing Shares in the United States with the US Securities and Exchange Commission or with any state securities administrator;
- (xvii) the Company, the Registrar or transfer agent or other agent of the Company, will not be required to accept the registration of transfer of any Placing Shares acquired by the Investor, except upon presentation of evidence satisfactory to the Company that the foregoing restrictions on transfer have been complied with;
- (xviii) the Investor invests in or purchases securities similar to the Placing Shares in the normal course of its business and it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Placing Shares;
- (xix) the Investor has conducted its own investigation with respect to the Company and the Placing Shares and has had access to such financial and other information concerning the Company and the Placing Shares as the Investor deemed necessary to evaluate the merits and risks of an investment in the Placing Shares, and the Investor has concluded that an investment in the Placing Shares is suitable for it or, where the Investor is not acting as principal, for any beneficial owner of the Placing Shares, based upon each such person's investment objectives and financial requirements;
- (xx) the Investor or, where the Investor is not acting as principal, any beneficial owner of the Placing Shares, is able to bear the economic risk of an investment in the Placing Shares for an indefinite period and the loss of its entire investment in the Placing Shares;
- (xxi) there may be adverse consequences to the Investor under tax laws in other jurisdictions resulting from an investment in the Placing Shares and the Investor has made such investigation and has consulted such tax and other advisors with respect thereto as it deems necessary or appropriate;
- (xxii) the Investor is not a resident of the United States, Australia, Canada, Japan or the Republic of South Africa and acknowledges that the Placing Shares have not been and will not be registered nor will a prospectus be prepared in respect of the Placing Shares under the securities legislation of the United States, Australia, Canada, Japan, the Republic of Ireland,

Israel or the Republic of South Africa and, subject to certain exceptions, the Placing Shares may not be offered or sold, directly or indirectly, in or into those jurisdictions;

- (xxiii) the Investor is liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating to such payments) payable outside the UK by it or any other person on the acquisition by it of any Placing Shares or the agreement by it to acquire any Placing Shares;
- (xxiv) in the case of a person who confirms to the Bookrunner (in the UK) or to Rosario (in Israel) on behalf of an Investor an agreement to acquire New Ordinary Shares under the Proposed Fundraise and/or who authorises the Bookrunner (in the UK) or to Rosario (in Israel) to notify such Investor's name to the Registrars, that person represents that he has authority to do so on behalf of the Investor;
- (xxv) the Investor has complied with its obligations in connection with the prohibition on money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("**Money Laundering Regulations 2017**") and in Israel with the Prohibition on Money Laundering Law 2000 and any other applicable law concerning the prevention of money laundering and, if it is making payment on behalf of a third party, that: (i) satisfactory evidence has been obtained and recorded by it to verify the identity of the third party; and (ii) arrangements have been entered into with the third party to obtain from the third party copies of any identification and verification data immediately on request as required by the Money Laundering Regulations 2017 and, in each case, agrees that pending satisfaction of such obligations, definitive certificates (or allocation under the CREST system) in respect of the Placing Shares comprising the Investor's allocation may be retained at the Bookrunner's discretion;
- (xxvi) the Investor agrees that, due to anti-money laundering and the countering of terrorist financing requirements, Bookrunner and/or the Company may require proof of identity of the Investor and related parties and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the Investor to produce any information required for verification purposes, the Bookrunner and/or the Company may refuse to accept the application and the moneys relating thereto. The Investor holds harmless and will indemnify the Bookrunner and/or the Company against any liability, loss or cost ensuing due to the failure to process this application, if such information as has been required has not been provided by it or has not been provided on a timely basis;
- (xxvii) the Investor is not, and is not applying as nominee or agent for, a person which is, or may be, mentioned in any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services);
- (xxviii) the Investor has complied with and will comply with all applicable provisions of FSMA with respect to anything done by the Investor in relation to the Placing in, from or otherwise involving the UK;
- (xxix) if the Investor is in the UK, the Investor is a person: (i) who has professional experience in matters relating to investments falling within article 19(5) of the Order; or (ii) a high net worth entity falling within article 49(2)(a) to (d) of the Order; or (iii) is a person to whom this announcement may otherwise be lawfully communicated, and in all cases is capable of being categorised as a Professional Client or Eligible Counterparty for the purposes of the Financial Conduct Authority Conduct of Business Rules;
- (xxx) if the Investor is in the EEA, the person is a "Professional Client/Eligible Counterparty" within the meaning of Annex 11/Article 24 (2) of MiFID and is not participating in the Placing on behalf of persons in the EEA other than professional clients or persons in the UK and other Member States (where equivalent legislation exists) for whom the Investor has authority to make decisions on a wholly discretionary basis;



- (xxxvi) each Investor in a relevant member state of the EEA who acquires any Placing Shares under the Placing contemplated hereby will be deemed to have represented, warranted and agreed with the Bookrunner and the Company that: (i) it is a qualified investor within the meaning of the law in that relevant member state implementing Article 2(1) of the Prospectus Directive; and (ii) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive: (A) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant member state other than qualified investors, as that term is defined in the Prospectus Directive, or in other circumstances falling within Article 3(2) of the Prospectus Directive and the prior consent of the Bookrunner has been given to the offer or resale; or (B) where Placing Shares have been acquired by it on behalf of persons in any relevant member state other than qualified investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- (xxxvii) represents and warrants that its participation in the Placing would not give rise to an offer being required to be made by it or any person with whom it is acting in concert pursuant to Rule 9 of the City Code on Takeovers and Mergers or as such rule is replicated in the Articles;
- (xxxviii) in the case of a person who confirms to the Bookrunner or to Rosario on behalf of an Investor an agreement to acquire Placing Shares under the Placing and who is acting on behalf of a third party, that the terms on which the Investor (or any person acting on its behalf) are engaged enable it to make investment decisions in relation to securities on that third party's behalf without reference to that third party;
- (xxxix) the exercise by the Bookrunner of any rights or discretions under the Placing Agreement shall be within the absolute discretion of the Bookrunner and the Bookrunner need not have any reference to any Investor and shall have no liability to any Investor whatsoever in connection with any decision to exercise or not to exercise or to waive any such right and each Investor agrees that it shall have no rights against the Bookrunner or any of its directors or employees under the Placing Agreement;
- (xl) it irrevocably appoints any director of the Bookrunner as its agent for the purposes of executing and delivering to the Company and/or the Registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares agreed to be taken up by it under the Placing and otherwise to do all acts, matters and things as may be necessary for, or incidental to, its acquisition of any Placing Shares in the event of its failure so to do;
- (xli) it will indemnify and hold the Company, the Bookrunner, Rosario and its respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this paragraph and further agrees that the provisions of this paragraph will survive after completion of the Proposed Fundraise;
- (xlii) the Bookrunner and Rosario may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Placing Shares and/or related instruments for their own account and, except as required by applicable law or regulation, the Bookrunner and Rosario will not make any public disclosure in relation to such transactions;
- (xliiii) the Bookrunner, Rosario and their affiliates, each acting as an investor for its or their own account(s), may bid or subscribe for and/or purchase Placing Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Proposed Fundraise or otherwise. Accordingly, references in this Announcement to the Placing Shares being offered, subscribed, acquired or otherwise dealt

with should be read as including any offer to, or subscription, acquisition or dealing by the Bookrunner, Rosario and/or any of their affiliates, acting as an investor for its or their own account(s). Neither the Bookrunner nor Rosario nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;

- (xxxix) each of the Subscribers is either a (i) Qualified Investor pursuant to the Israel Securities Law, and undertakes to provide the Company with all information and documents required to support its representation herein, upon the Company's first demand. Or (ii) is not a qualified investor, however the offer in the Subscription is made, distributed or directed to not more than 35 non-qualified investors, subject to certain conditions in compliance with the requirement of Israeli Securities Law; and
- (xl) the Company, Rosario and the Bookrunner will rely upon the truth and accuracy of each of the foregoing representations, warranties and undertakings.

### ***Supply and disclosure of information***

If either the Bookrunner, Rosario, the Registrars or the Company or any of their respective agents request any information about an Investor's agreement to acquire Placing Shares, such Investor must promptly disclose it to them and ensure that such information is complete and accurate in all respects.

### ***Miscellaneous***

The rights and remedies of the Bookrunner, Rosario, the Registrars and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them, and the exercise or partial exercise of one will not prevent the exercise of others.

- (i) On application, each Investor may be asked to disclose, in writing or orally to either of the Bookrunner:
  - (A) if he is an individual, his nationality; or
  - (B) if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.
- (ii) All documents will be sent at the Investor's risk. They may be sent by post to such Investor at an address notified to the Bookrunner.
- (iii) Each Investor agrees to be bound by the Articles (as amended from time to time) once the Placing Shares which such Investor has agreed to acquire have been acquired by such Investor.
- (iv) These provisions may be waived, varied or modified as regards specific Investors or on a general basis by the Bookrunner in relation to the Placing and Rosario in relation to the Subscription.
- (v) The contract to acquire Placing Shares and the appointments and authorities mentioned herein will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Bookrunner, Rosario, the Company and the Registrars, each Investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against an Investor in any other jurisdiction.
- (vi) In the case of a joint agreement to acquire Placing Shares, references to an "Investor" in these terms and conditions are to each of such Investors and such joint Investors' liability is joint and several.
- (vii) The Bookrunner, Rosario and the Company each expressly reserve the right to modify the Proposed Fundraise (including, without limitation, its timetable and settlement) at any time before allocations of Placing Shares under the Proposed Fundraise are determined.

- (viii) The Proposed Fundraise is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated in accordance with its terms.

## Definitions

The following definitions apply throughout this Announcement, unless the context requires otherwise or unless it is otherwise specifically provided:

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| "Admission"                         | admission of New Ordinary Shares to trading on the Main Market becoming effective in accordance with the Listing Rules which is expected to occur at <b>8.00 a.m. on 1 July 2019</b>  |
| "Announcement"                      | this announcement including the Appendix  |
| "Articles"                          | the articles of association of the Company from time to time current  |
| "Bookbuilding Process"              | shall have the meaning given to it <b>in the</b> Appendix-Terms and Conditions of the Placing   |
| "Bookrunner"                        | Shore Capital Stockbrokers Limited  |
| "Business Day"                      | a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England (and to the extent relevant to the Subscription only, a day on which banks are open for general business in Tel Aviv, Israel)  |
| "Group" or "BATM" or "Company"      | BATM Advanced Communications Ltd  |
| "CREST"                             | the computer-based system established under the Regulations which enables title to units of relevant securities (as defined in the Regulations) to be evidenced and transferred without a written instrument and in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations) |
| "Dis"                               | means depository interests issued by the Depository representing ordinary shares which may be traded through CREST in uncertificated form   |
| "Directors" or "Board"              | the directors of the Company  |
| "FCA"                               | the Financial Conduct Authority of the UK   |
| "FSMA"                              | the Financial Services and Markets Act 2000 (as amended)  |
| "Israeli Securities Law"            | Israeli Securities Law 1968 and any regulations made pursuant to such law including the Securities Regulations 2007   |
| "Listing Rules"                     | the Listing Rules of the Financial Conduct Authority made in accordance with section 73A(2) of FSMA   |
| "London Stock Exchange"             | London Stock Exchange plc   |
| "Main Market"                       | the official list maintained by the FCA for the purpose of Part VI of FSMA  |
| "Money Laundering Regulations 2017" | Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017   |
| "Ordinary Shares"                   | Ordinary Shares in the capital of the Company   |
| "Placees"                           | those persons who have conditionally agreed to subscribe for the Placing Shares under the Proposed Fundraise  |

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| "Placing"                              | the proposed conditional issue and allotment at the Issue Price of the Placing Shares to the Placees by the Bookrunner in the UK as described in the Announcement |
| "Placing Agreement"                    | the agreement dated 24 June 2019 and made between Shore Capital and the Company in relation to the Placing  |
| "Placing Price"/"Issue Price"          | the price at which New Ordinary Shares will be offered to Investors, namely 42.5 pence per Ordinary Share   |
| "Placing Shares"/"New Ordinary Shares" | such number of Ordinary Shares to be issued by the Company pursuant to the Proposed Fundraise   |
| "Proposed Fundraise"                   | the Placing and the Subscription  |
| "Registrars"                           | the registrars of the Company   |
| "Rosario"                              | Rosario Capital Ltd and its subsidiaries, a company incorporated under the law of Israel  |
| "Securities Act"                       | United States Securities Act of 1933, as amended  |
| "Subscribers"                          | Investors who subscribe for New Ordinary Shares pursuant to the Subscription  |
| "Subscription"                         | the proposed conditional issue and allotment at the Issue Price of the Placing Shares to the Placees by Rosario in Israel as described in the Announcement        |