

LEI: 213800FLQUB9J289RU66

24 April 2019

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

**ANNUAL FINANCIAL REPORT - DTR 6.3.5 Disclosure**

Following the release on 6 March 2019 of the Group's Preliminary Results Announcement for the financial year ended 31 December 2018 (the “Preliminary Announcement”), BATM announces that the 2018 Annual Report and Accounts have been published today. These documents have been made publicly available on the BATM website ([www.batm.com](http://www.batm.com)). The annual report can be found in the Investor Relations section under Financial Reports. The direct link is <http://www.batm.com/investor-relations/financial-statements/>

In compliance with 9.6.1 of the Listing Rules, a copy of the 2018 Annual Report and Accounts will shortly be available for inspection at the UK Listing Authority's National Storage Mechanism website: <http://www.morningstar.co.uk/uk/NSM>.

The primary purpose of this announcement is to inform the market about the publication of the Company's Annual Report and Accounts for the year ended 31 December 2018 (the “2018 Annual Report and Accounts”).

The information below, which is extracted from the 2018 Annual Report and Accounts, is included solely for the purpose of complying with DTR 6.3.5 and the requirements it imposes on issuers as to how to make public annual financial reports. It should be read in conjunction with the Group's Preliminary Announcement. Together these constitute the material required by DTR 6.3.4 to be communicated to the media in unedited full text through a Regulatory Information Service. This material is not a substitute for reading the full 2018 Annual Report and Accounts. References to page numbers and notes to the accounts set out in the Appendices below refer to page numbers and notes to the accounts in the Group's 2018 Annual Report and Accounts.

The Preliminary Announcement includes an indication of the important events that occurred during the year and a condensed set of the financial statements.

The Group's auditor has reported on the accounts and its reports are unqualified. The Independent Auditor's Report on the Group financial statements is set out in full on pages 36-39 of the 2018 Annual Report and Accounts.

**APPENDIX A - DIRECTORS' RESPONSIBILITY STATEMENT**

The 2018 Annual Report and Accounts contain a responsibility statement in compliance with paragraph 4.1.12 of the DTR. The directors' responsibility statement is set out on page 17 of the 2018 Annual Report and Accounts for the Group. This statement is set out below in full and unedited text.

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable laws and regulations. The Directors are required to prepare financial statements for the Group in accordance with International Financial Reporting Standards as issued by the International accounting standard Board (IFRS). Israeli company law requires the Directors to prepare such financial statements.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and

expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a true and fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards.

Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make an assessment of the Company's ability to continue as a going concern and disclose where they consider it appropriate; and
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' Report and Directors' Remuneration Report which comply with the Listing Rules and the Disclosure and Transparency rules.

Legislation in Israel governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors confirms to the best of his or her knowledge:

1. the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
2. the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face; and
3. the annual report and financial statements, taken as a whole, are fair, balanced, and understandable, and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

## APPENDIX B - RISKS AND UNCERTAINTIES

The principal risks and uncertainties are set out on page 13 of the 2018 Annual Report and Accounts. The full and unedited text relating to these disclosures are set out below:

As the Group is involved in the development of new products and services, it is subject to the development risk inherent in such activity, including in particular the failure of products and services in development to proceed to completion and to the market. This includes the risk of failing key research and development hurdles such as clinical trials and regulatory authorisation.

The Group has made several acquisitions. Such growth in the Group carries increased demand for cash and resources in the Group's business, not all of which may be capable of being adequately serviced. Furthermore, certain acquisitions have not reached one hundred per cent ownership of the relevant target companies, in some cases due to local regulatory requirements as to share ownership and structuring. As a result, certain companies in the Group have non-controlling interests, typically held by the local management of the subsidiaries. Relationships with these non-controlling interests are frequently key to the continued success of the relevant business and projects. They carry certain risks, including those inherent in diversified control in a

trading business, for example that key business decisions favoured by the Group may not proceed to implementation, and the consequences of a breakdown of the cooperation between the Group as the majority holder and the local partner as the minority.

The Group's diversified business activities include some, particularly within the Eco-Med and Distribution units, that are aimed at emerging markets, which have significant upward potential, yet at the same time are subject to greater risks than more developed markets, including economic, currency, political, social, legal and legislative risks. The Group's business and, consequently, its financial results and returns to investors may be adversely affected by a decrease in demand in such emerging markets, which can typically be less easy to predict or manage than in more stable and developed economies. The political and socioeconomic stability of emerging markets is frequently lower than that seen in more established markets, and this carries the risk that the Group's business and, consequently, its financial results and returns to investors may be adversely affected by negative changes in conditions for business and investment, which may occur more frequently or with more severity than in more developed markets. BATM has exposure to material fluctuations in currencies since BATM sells in various different currency zones including US Dollar, Euro, Romanian Lei and Moldavian Lei.

- Ends -

### **Enquiries**

#### **BATM Advanced Communications**

Dr Zvi Marom, Chief Executive Officer

+972 9866 2525

Moti Nagar, Chief Financial Officer

#### **Shore Capital**

Mark Percy, Anita Ghanekar

+44 20 7408 4050

#### **Luther Pendragon**

Harry Chathli, Claire Norbury

+44 20 7618 9100