



Interim Results 2024

Moti Nagar, CEO

Ran Noy, CFO

August 2024

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H1 2024 Highlights



SUCCESSFULLY IMPLEMENTED OPERATIONAL IMPROVEMENTS TO ALIGN BUSINESS WITH NEW STRATEGIC VISION



ACTIVELY EXPLORED POTENTIAL M&A AND DIVESTMENT OPPORTUNITIES



SOLID PERFORMANCE DELIVERING INCREASED PROFITS



OUTSTANDING PERFORMANCE OF CYBER DIVISION – DELIVERED ON BACKLOG AND SIGNED SIGNIFICANT COMMERCIAL CYBER SOLUTION PARTNERSHIP AGREEMENT



Financial Review

RAN NOY
CFO

Financial Summary

REVENUE

\$60.0m

(H1 2023: \$60.2m)

GROSS MARGIN

31.1%

(H1 2023: 34.9%)

OPERATING PROFIT

\$1.5m

(H1 2023: \$0.6m)

EBITDA

\$4.3m

(H1 2023: \$3.1m)

CASH USED IN OPERATING
ACTIVITIES

\$5.3m

(H1 2023: \$0.5m from)

CASH AND SHORT-TERM
INVESTMENTS*

\$32.6m

(31 December 2023: \$40.8m)

* Short-term investments includes investments in deposits and other securities

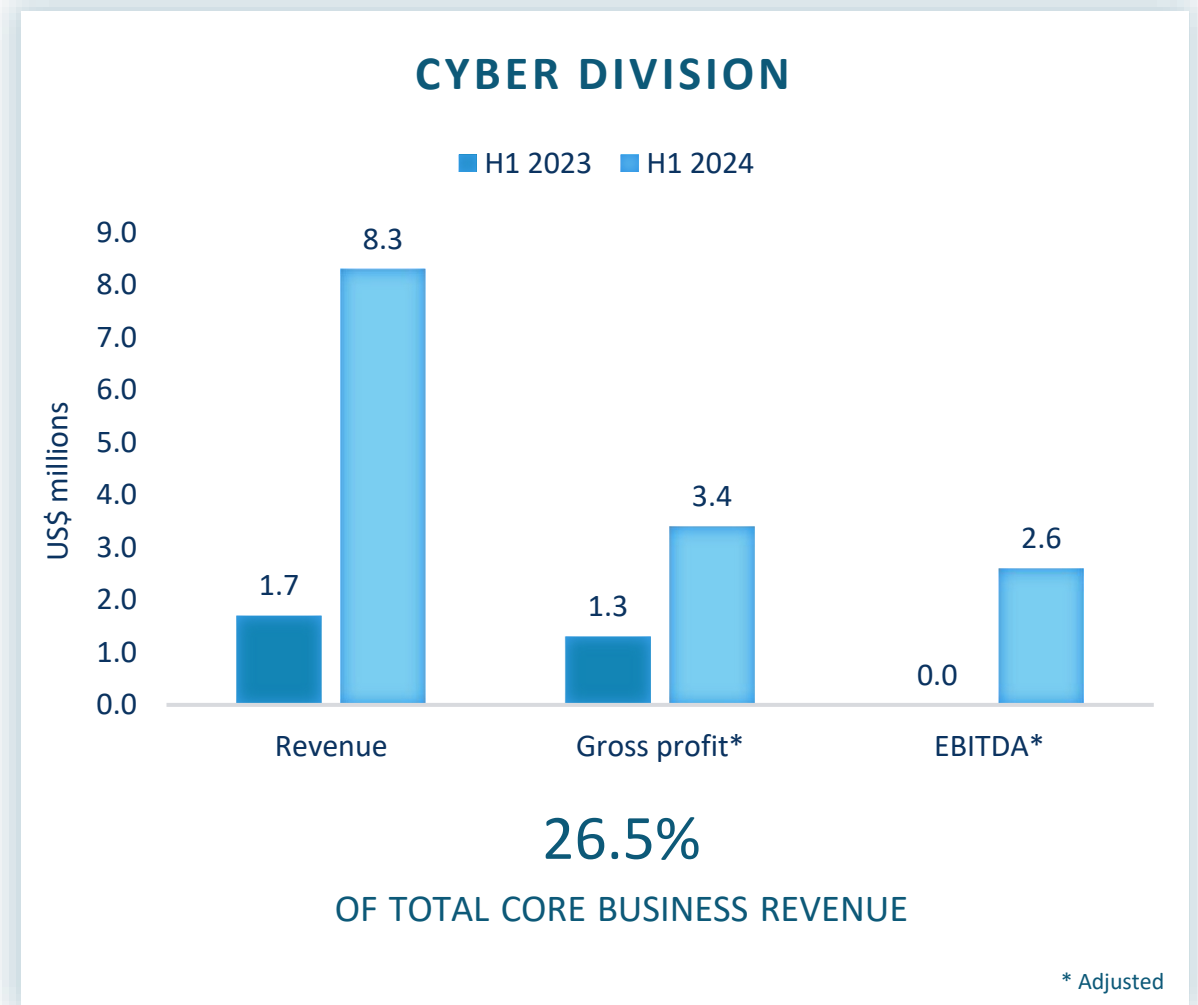
Cyber Business

Adjusted (\$m)	H1 2024	H1 2023
Revenues	8.3	1.7
Cost of sales	4.9	0.4
Gross profit	3.4	1.3
Gross margin	40.4%	75.6%
Operating expenses	0.9	1.3
EBITDA	2.6	0.0

Substantial growth as the business delivered against its significant backlog as well as new orders

Contributed >50% of Group EBITDA

Gross margin change to become representative of a product company



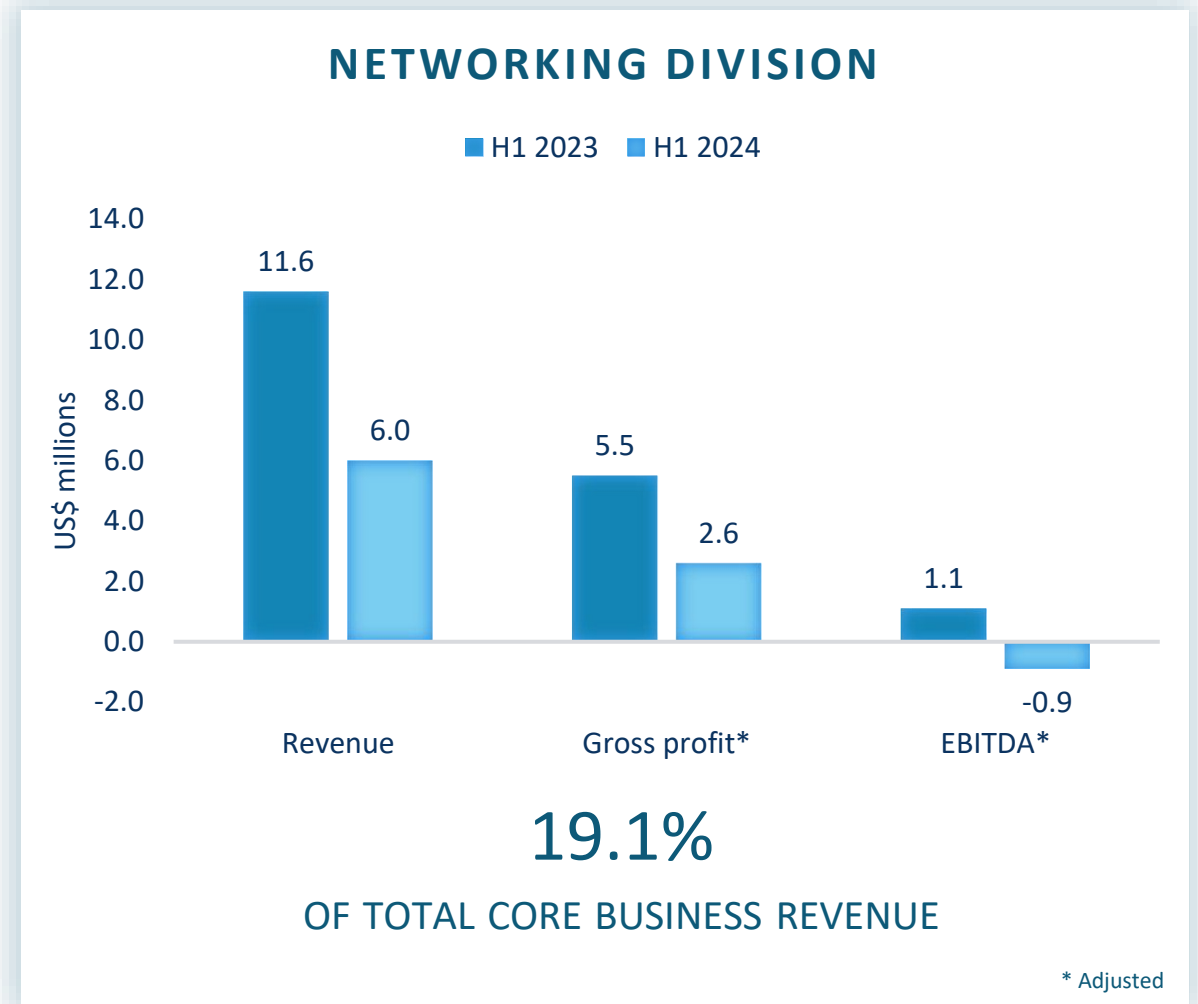
Networking Business

Adjusted (\$m)	H1 2024	H1 2023
Revenues	6.0	11.6
Cost of sales	3.3	6.1
Gross profit	2.6	5.5
Gross margin	43.4%	47.3%
Operating expenses	3.8	4.8
EBITDA	(0.9)	1.1

Results primarily reflect ongoing impact of global slowdown in telecoms industry from prior year restocking – expect to reverse going forward

Carrier ethernet profitability remains high – EBITDA loss due to continued investment in Edgility

Edgility revenues are multi-year subscription-based agreements with revenue recognised over the duration



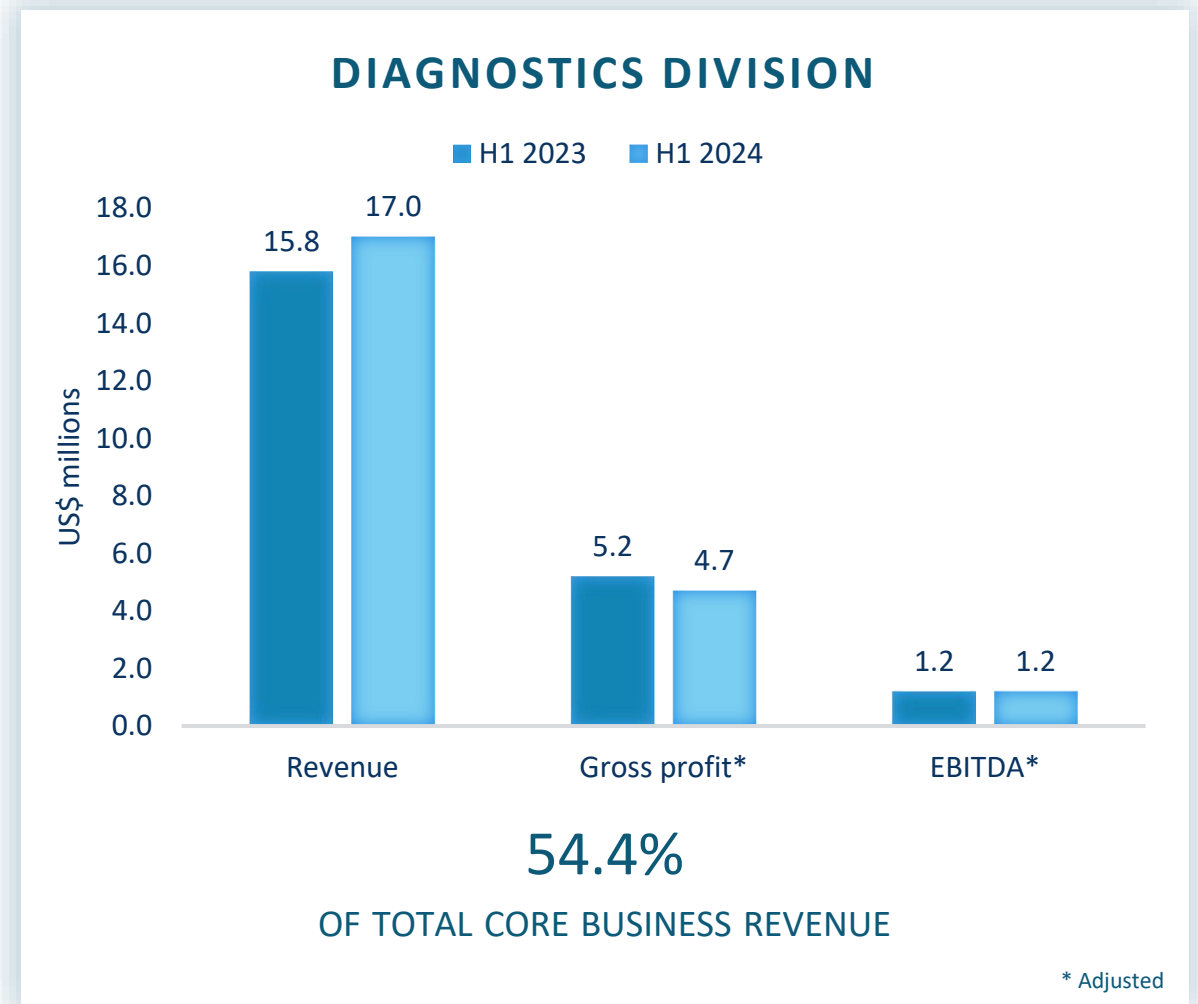
Diagnostics Business

Adjusted (\$m)	H1 2024	H1 2023
Revenues	17.0	15.8
Cost of sales	12.3	10.6
Gross profit	4.7	5.2
Gross margin	27.8%	32.8%
Operating expenses	4.4	4.9
EBITDA	1.2	1.2

Revenue driven by expanded customer base for distributed diagnostic products

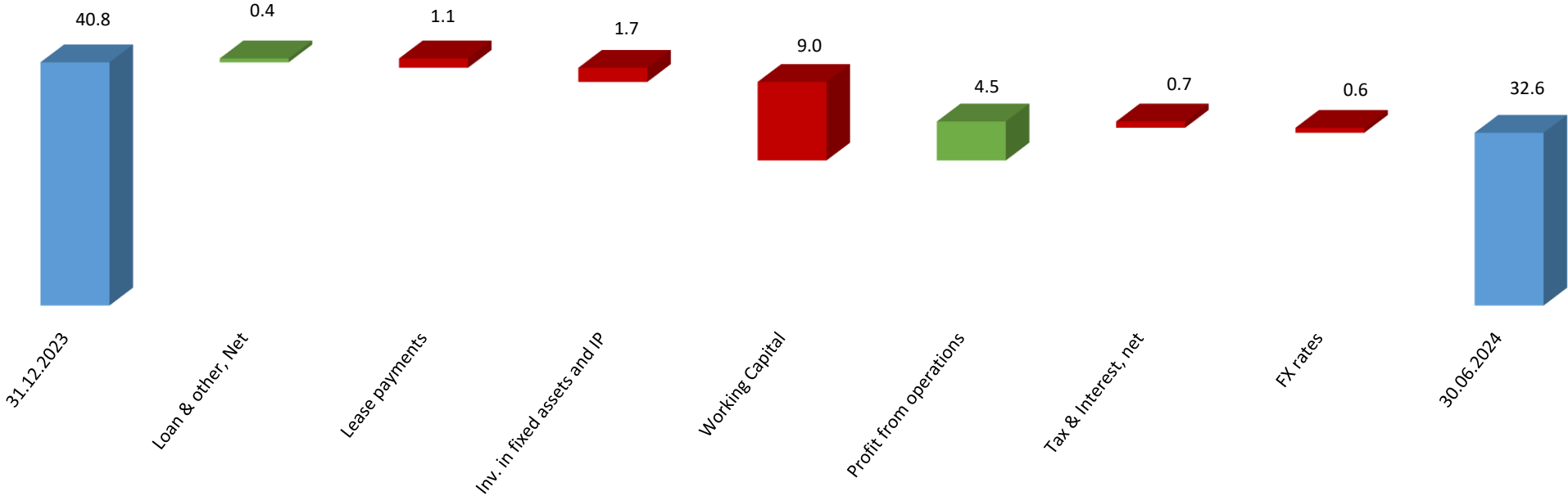
Reduction in gross margin due to higher sales of instruments, which is expected to recover due to sales of reagents

EBITDA remained constant due to reduction in operating expenses



Cash Management

CASH AND SHORT-TERM INVESTMENTS (\$M)



Business Review

MOTI NAGAR
CEO

Cyber Business

Substantial growth and signing of landmark agreement for commercial markets

LEADING ENCRYPTION PRODUCTS WITH UNIQUE CAPABILITIES

SIGNIFICANT GROWTH OPPORTUNITY IN COMMERCIAL MARKETS

POWERFUL BRAND ENDORSEMENT: STRATEGIC ENCRYPTION PROVIDER FOR LARGE GOVERNMENT CLIENTS

REVENUE MORE THAN QUADRUPLED WITH DELIVERY AGAINST SUBSTANTIAL BACKLOG

STRATEGIC AGREEMENT SIGNED WITH GLOBAL POWERHOUSE TO ENTER COMMERCIAL MARKETS:

PARTNER SERVES CUSTOMERS IN MORE THAN 100 COUNTRIES AND GENERATED REVENUE OF OVER \$10BN IN 2023, WITH RESOURCES TO ENGAGE IN CONSIDERABLE SALES AND MARKETING ACTIVITIES

PARTNER WILL DISTRIBUTE BATM'S ADVANCED ENCRYPTION SOLUTION GLOBALLY, WITH EXCLUSIVITY IN CERTAIN TERRITORIES

REPRESENTS A SIGNIFICANT EXPANSION OF THE TOTAL ADDRESSABLE MARKET FOR THE GROUP'S CYBER SOLUTIONS

NEW ORDERS RECEIVED, INCLUDING FOR DEVELOPMENT WORK TO ADDRESS QUANTUM COMPUTING ERA

Networking Business

Important agreements in edge computing – growing and groundbreaking market

EDGILITY

HIGHLY INNOVATIVE AND AGILE SOLUTION

ADDRESSES THE CHALLENGES OF EDGE COMPUTING

RAPIDLY GROWING MARKET

CEMEX LICENCE AGREEMENT EXTENDED BY TWO YEARS AND EXPANDED

THREE-YEAR AGREEMENT SIGNED WITH TOTALPLAY, A TIER 1 TELECOMS COMPANY IN MEXICO

BECAME AN AWS QUALIFIED SOFTWARE PARTNER SOLUTION FOR AWS IOT GREENGRASS – IMPORTANT NEW ROUTE TO MARKET

SUCCESSFUL PROOF OF CONCEPTS CONTINUED WORLDWIDE

CARRIER ETHERNET

STRONG INSTALLED BASE

EXTENSIVE NETWORK EXPERIENCE

LARGE, STABLE AND GROWING MARKET

PROFITABILITY MAINTAINED

NEW 10GE PRODUCT GAINING TRACTION

ON TRACK TO LAUNCH NEW PRODUCTS TO EXPAND IN MOBILE BACKHAUL BY YEAR END

NEW CONTRACT TO UPGRADE INFRASTRUCTURE OF MOUNTAIN TELEPHONE, A LEADING TELECOMS PROVIDER IN KENTUCKY

Diagnostics Business

Revenue growth driven by customer base expansion

HIGH-CAPACITY FACILITIES IN EUROPE

EXISTING REGISTERED LICENCES

SUBSTANTIAL AND GROWING MARKET

PATENTED TECHNOLOGY WITH GROUNDBREAKING POTENTIAL

STRONG KNOWLEDGE BASE AND ESTABLISHED PARTNERSHIPS

EXPANSION OF CUSTOMER BASE FOR DISTRIBUTED DIAGNOSTICS PRODUCTS

COMMENCED RECEIVING ORDERS FOR, AND GENERATING REVENUE FROM, MDXLAB, WHICH LAUNCHED AT THE END OF 2023

CONTINUED WORK TOWARDS THE COMMERCIAL LAUNCH OF EXTRALAB – EXPECTED BY THE END OF THE CURRENT YEAR

ADOR DIAGNOSTICS SUCCESSFULLY COMPLETED PRE-CLINICAL HOSPITAL TRIALS OF NATLAB – PREPARING FOR NEXT STAGE OF VALIDATION AT A PRESTIGIOUS HOSPITAL IN ITALY

Outlook

Continued strategic execution focusing on core activities

CONTINUING TO ACTIVELY PURSUE M&A AND DISPOSAL OPPORTUNITIES TO ACCELERATE EXECUTION OF GROWTH STRATEGY

SIGNIFICANT BACKLOG IN CYBER AND FOCUSED ON DEVELOPMENT OF NEW COMMERCIAL ENCRYPTION PRODUCT LAUNCH

FURTHER GROWTH IN DIAGNOSTICS DIVISION EXPECTED TO BE DRIVEN BY CONTINUED EXPANSION OF CUSTOMER BASE

NEW ORDERS FOR EDGILITY AND CARRIER ETHERNET EXPECTED TO DRIVE STRONG H2 GROWTH IN NETWORKING

ON TRACK TO DELIVER STRONG REVENUE GROWTH FOR FY 2024 – IN LINE WITH MARKET EXPECTATIONS

