



Annual Report & Accounts

for the year ended 31 December 2025



A pivotal year of transformation



Four businesses sold during the year and a fifth post year end for a total consideration of **\$24.4m**

Core activities now comprise **BATM Networks** and **BATM Cyber**

Significant growth and upscaling of **pipeline** in core activities

*Accelerating transition to become a **focused provider** of highly secure, software-defined network connectivity*

⁽¹⁾ Results for the Group's continuing operations (see note 20 to the financial statements)

⁽²⁾ Adjusted to exclude amortisation of intangible assets, share-based payments and expenses related to corporate activity. The figures include capital gains and an exceptional expense from a theft of inventory

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Chairman's Statement



Gil Sharon

Chairman

I am pleased to present my first statement as Chairman of BATM – and to have joined the Board at such a pivotal moment. During 2025, significant progress was made towards transforming BATM into a business focused on providing highly-secure managed network connectivity and cybersecurity. We streamlined our operations through targeted disposals, strengthened our core activities and laid firmer foundations for sustainable value creation, notwithstanding the impact of non cash write offs associated with reshaping the business.

Strategy

In 2025, we made decisive progress in reshaping BATM around our core strengths of networking and cybersecurity. We completed the disposals of Celitron in Hungary, Zer Laboratories and Progenetics in Israel, and A.M.S 2000 Trading Impex SRL (“AMS”) and, post year end, Laborator A.M.S 2000 SRL in Romania. Together, these transactions generated total consideration of \$24.4m and significantly reduced the complexity of the Group.

Following a review of capital allocation priorities, the Board determined that further material investment in our ADOR Diagnostics (“ADOR”) associate company is not aligned with our risk appetite or strategic focus and therefore decided to significantly curtail funding into ADOR and wrote-off our \$18.7m investment and related balances accumulated over the last nine years. ADOR continues to seek a strategic investor or other route to monetise its intellectual property and, if successful, BATM would expect to recognise a corresponding gain in the future.

With the successful turnaround of the proprietary diagnostics business in 2025, combined with the sale of AMS and decision to step back from ADOR, we have decided that, going forward, our diagnostics activities will be classified as Non-core, alongside our pharmaceutical distribution and environmental monitoring activities. Our strategic focus is therefore firmly on BATM Networks and BATM Cyber, where we believe the combination of advanced networking and cybersecurity capabilities offers the greatest opportunity to create long term shareholder value through the provision of highly-secure network connectivity.

In an ever-more digitised society, demand for secure network infrastructure through which sensitive data can travel safely is on the rise. At the same time, organisations are increasingly preparing themselves for the post-quantum era that is rapidly approaching. At BATM, we have decades of experience of providing cutting-edge, next-generation networking and cybersecurity technologies to enable entities, from enterprises to government, to operate securely and efficiently. Our best-in-class encryption platform is quantum-era ready and is differentiated by its significant computer processing power and advanced, high-speed encryption that is suitable for critical organisations such as defence and financial institutions for which information security is of vital importance to their businesses. We are now fully focused on leveraging this experience and expertise to deliver highly secure, software-defined managed connectivity with built-in protection against emerging threats, including those posed by quantum computing, to provide customers with solutions to their challenges of today as well as tomorrow.

Group performance

Revenue rose to \$123.2m for 2025 – representing year-on-year growth of 5% on a reported basis (2024: \$117.3m) and 9% on a comparable basis (to exclude the contribution to H2 2024 of the businesses sold during H1 2025).

Across our core activities, we saw encouraging operational and commercial progress in 2025, with BATM Networks returning to growth and exiting the year with a significantly larger pipeline following the refocusing of its go to market strategy. BATM Cyber delivered results in line with expectations after an exceptionally strong 2024, improved gross margin and achieved a key milestone with the first commercial deployment of a customised version of our advanced encryption platform under a strategic partner's brand. BATM Diagnostics, which was classified as core for the period under review, delivered strong revenue and margin growth and crystallised substantial value through the AMS disposal while achieving breakeven at the level of the underlying proprietary business following the successful transition to a reagent-led model.

Governance, people and culture

The Board, led by my predecessor, Dr. Gideon Chitayat, played an instrumental role throughout this period of significant change, overseeing the execution of our strategy, the reshaping of the business and the associated capital allocation decisions. We are very grateful to Dr. Chitayat for his ten years as Chairman, and a further five before that as a Non-executive Director, and wish him all the best in his retirement. We would also like to extend our thanks to Dr. Zvi Marom, Ran Noy and Harel Locker who stepped down during the year and to welcome Lior Miles and Ayala Hakim who joined the Board in 2025.

In my tenure as the Chairman, we will remain committed to maintaining high standards of governance, risk management and financial discipline as the Group transitions towards a more focused business model. We also continue to invest in our people and organisational capabilities, including strengthening teams in our core businesses.

On behalf of the Board, I would like to thank Moti Nagar, our Chief Executive Officer, the rest of the executive team as well as all our employees for their dedication and resilience during a year of intense activity and transition. Their expertise, adaptability and commitment to our customers have been central to the progress we have made and to the opportunities that now lie ahead, and I would also like to thank our shareholders, partners and other stakeholders for their continued support.

Gil Sharon

Chairman

20 April 2026



Business Model

Our business model leverages our strengths and our values to execute on our strategic priorities to achieve our vision and generate value for our stakeholders



Strategy

Significantly advanced strategy towards becoming a unified, streamlined business focused on the high-growth, high-margin markets of networking and cybersecurity

Strategic Priorities	FY 2025 Progress	
Building a unified business	<ul style="list-style-type: none"> • Leveraging synergies and strengths across the Group • Building the infrastructure to deliver sustainable growth 	<ul style="list-style-type: none"> • Launched new unified brand identity • Advanced joint marketing activities between BATM Networks and BATM Cyber • R&D investment into joint product offering of networking-cybersecurity and unified platform
Maximising resource allocation	<ul style="list-style-type: none"> • Prioritising investment to maximise top assets 	<ul style="list-style-type: none"> • Reduced the complexity of the Group and enabling resources to be focused on BATM Networks and BATM Cyber: <ul style="list-style-type: none"> • Sold four businesses during the year and a fifth post year end • Sale of AMS and successful turnaround of proprietary diagnostics business enabled diagnostics to be classified as non-core from 2026 • Strategic decision to increase investment in R&D in 2026
Investing in R&D	<ul style="list-style-type: none"> • Maintaining technological lead • Building a business of the future 	<ul style="list-style-type: none"> • Slight growth in R&D spend in 2025 and strategic decision taken for a meaningful increase in 2026 • Progressed R&D into joint networking-cybersecurity product offering • Commenced R&D into building a unified platform across carrier ethernet, Edgility and cybersecurity – one platform for all BATM activities
Accelerating sustainable growth	<ul style="list-style-type: none"> • Strengthening our commercial execution • Driving gross margin improvement 	<ul style="list-style-type: none"> • Increased sales personnel in BATM Networks and BATM Cyber • Launch of full X-series portfolio – expected to be the key driver of new customer acquisition in BATM Networks • Key milestone with launch, via strategic partner, of encryption product in the commercial markets • Divested multiple lower-margin businesses • Significant increase in size and scale of BATM Networks pipeline • Explored potential M&A to strengthen core activities





Moti Nagar

Chief Executive Officer

Chief Executive Officer's Review

The year to 31 December 2025 was transformational for BATM as we executed on our strategy to become a unified, streamlined business focused on the high-growth, high-margin markets of networking and cybersecurity. A key element of this was the divestment of non-core businesses, which will enable additional resources to be invested in activities that the Board believes offer the greatest opportunities for delivering sustainable growth and generating shareholder value. At the same time, strategic initiatives implemented in our core activities in 2024 delivered meaningful results in 2025, in turn laying the foundation for a stronger performance in 2026.

Divestment of non-core activities

We sold four non-core businesses during the year and a fifth post year end, for a total consideration of \$24.4m, namely:

- Celitron, an eco-med business in Hungary;
- Zer Laboratories, an administrator of third-party pre-natal diagnostic tests in Israel;
- Progenetics, an administrator of third-party oncological diagnostic tests in Israel;
- A.M.S 2000 Trading Impex SRL ("AMS")*, a distributor of diagnostic laboratory equipment in Romania; and
- post year end, Laborator A.M.S 2000 SRL*, which provides analysis for third parties in Romania.

(* For the purposes of the Group's reporting, these businesses are presented within BATM Diagnostics)

These disposals have already significantly reduced the complexity of BATM and will allow additional resource to be focused on our core activities of BATM Networks and BATM Cyber.

Alongside this, the Board has taken the strategic decision to no longer invest material resources to support ADOR Diagnostics ("ADOR"), a molecular diagnostics IP-company in which BATM has a significant shareholding. To bring the IP to the point of potential commercialisation would require significant further funding. Further investment by BATM in ADOR is not aligned with the Board's risk appetite and is not considered the best use of our resources. Accordingly, in the absence of ADOR securing other funding and to help solidify

the foundations on which we are building the future business, the investment that we have made in ADOR has been written off. However, ADOR continues to seek a strategic investor or other opportunity to monetise its know-how and, if successful, we would recognise a corresponding gain.

As a result of the success of the strategic actions that we implemented in 2024, our business that provides proprietary diagnostic instruments and reagents was significantly strengthened and achieved breakeven for the year. This, combined with the sale of AMS and exit from ADOR, led the Board to take the strategic decision to accelerate plans to focus on BATM Networks and BATM Cyber. Accordingly, for future reporting periods, the diagnostics business will be presented within our Non-core activities, which comprises the following businesses, which the Board would consider selling should there be an appropriate opportunity:

- Diagnostics business in Italy
- Pharmaceutical distribution business in Moldova
- Environmental monitoring business in Hungary

Our core activities now comprise networking and cybersecurity which the Board believes offer substantial potential for creating long-term shareholder value.

Return to growth of BATM Networks

The strong performance of BATM Networks during the year reflects the decisive action taken during 2024 to return the division to growth, including a management reorganisation, expansion of the sales & marketing team and refocused go-to-market strategy. This resulted in increased sales of our Carrier Ethernet products as well as our Edgility edge virtualisation and management platform, with BATM Networks revenue of \$11.6m compared with \$8.5m for the previous year.

A key element of our new go-to-market approach was the establishment of a team to focus on expanding our global channel partners, including value-added resellers, systems integrators and distributors – and we successfully onboarded new channel partners in all our target markets globally. We also made a strategic investment in targeting the Latin American and, later in the year, Asia-Pacific markets, including hiring additional sales resources. These actions

resulted in further orders during the year, as well as the establishment of a strong pipeline, with the weighted pipeline being approximately double the size of recent years and which includes an upscaling in the size of potential orders.

In particular, our X-series portfolio of Carrier Ethernet products – with the first product being launched towards the end of 2024 and the full portfolio being launched by the end of 2025 offering speeds of 1G, 10G and 100G – is proving popular and is expected to be an important driver of new customer acquisition during 2026 as well as being used for cross-selling. By way of example, in December 2024, we signed a multi-million dollar three-year agreement for Edgility with a Tier 1 telecommunications company in Mexico; it is currently finalising a proof-of-concept with the X-series product alongside the rollout of Edgility.

During the year, Edgility was selected by Telecomunicações Brasileiras S.A. (“Telebras”), a leading Brazilian telecommunications company that implements the federal government’s communication network and supports public broadband policies as well as serving the enterprise market. Telebras has established a strong pipeline of opportunities with proof-of-concepts underway with a number of these. We also continued to expand our partnership with a leading global provider of emergency connectivity services that is headquartered in the US, with the partner expanding its use of Edgility internationally with active deployments in the Philippines.

A leading internet services provider to homes and businesses across the US that is owned by one of the world’s largest technology conglomerates ordered our 10G carrier ethernet and aggregation solutions as part of their network modernisation programme. Similarly, as service providers globally increasingly upgrade their networks to handle the high-bandwidth demands from artificial intelligence, cloud computing and internet of things, we are receiving growing interest in our 100G solutions. In the Asia-Pacific market, we won a competitive tender with a national electricity company for a phased 100G network upgrade across the country and have secured a number of other potential opportunities in the region, as well as in North America.

*“We are confident of delivering **strong underlying growth** for 2026 and significant, sustainable growth in the medium-term as we increasingly progress the execution of our strategy to become a business focused on providing **highly secure network connectivity.**”*

Moti Nagar

Chief Executive Officer

Chief Executive Officer’s Review (cont.)

Key milestones achieved in BATM Cyber

The performance of BATM Cyber for 2025 was in line with our expectations, with revenue of \$8.3m (2024: \$13.1m) following the exceptional orders delivered in the prior year to our long-standing customer.

A key milestone was achieved during the year with the delivery of the first units of our cyber solution for the commercial markets. This is a customised version of our advanced encryption platform that our strategic partner is selling under their brand, replacing their current product. A proof-of-concept was conducted with a potential customer in the second half of the year and, post year end, the partner has commercially launched the platform. We have appointed new sales personnel to support this activity.

During 2025, we received orders from our long-standing customer under several projects to develop next-generation cyber capabilities, including encryption for ultra-high-speed networks and tactical encryption. This development work remains ongoing, and we expect that, as with previous projects, once complete, it will transition to a supply agreement with the customer. We will also be able to utilise similar functionality for our encryption solution for commercial markets – which will be a key differentiator.

Post year end, we were selected as a partner in cybersecurity by FPT Israel, which is a company of FPT Corporation (HOSE: FPT), a leading Vietnam-based technology group providing digital transformation services and solutions in over 30 countries. This initiative represents delivery on our strategy to bolster our capabilities and expand our cybersecurity activities through entering partnerships.

Successful turnaround of BATM Diagnostics proprietary business

The key developments in BATM Diagnostics during the year were the sale of the AMS distribution business, which generated a capital gain of \$14.1m, and the successful turnaround of our business for our proprietary diagnostic products. Revenue from our proprietary diagnostic products increased by 71% to \$7.7m (2024: \$4.5m). This growth reflects the benefits from the management reorganisation and refocused go-to-market approach adopted in 2024 to prioritise reagent sales, which are a higher margin and consumable product. We are providing our instruments on a lease basis, or as a lower-margin sale, alongside a reagent

agreement to secure long-term, repeatable orders. As a result, gross margin for the proprietary diagnostics business improved significantly which, combined with the increased sales and a relatively stable cost base, resulted in it reaching profitability with an adjusted operating profit of \$0.1m (2024: \$1.8m loss). As noted above, this has enabled us to accelerate our strategy to focus on networking and cybersecurity, and our diagnostics activities will be classified as Non-core for future reporting periods.

Accelerating focus on highly-secure network provision

Our core activities now comprise networking and cybersecurity. While both markets offer significant opportunities, we believe that the greater value lies in their combination – in the provision of highly secure networks. During the year, we enhanced collaboration between BATM Networks and BATM Cyber, including commencing joint sales activities and joint development work. Certain sales team members of the BATM Networks division began to promote our cyber solution with their commercial customers and partners. Additionally, we have made significant progress in integrating our networking and cybersecurity capabilities into a unified platform – one that delivers highly secure, software-defined connectivity with built-in protection against emerging threats, including those posed by quantum computing.

On track for strong underlying growth for 2026

We entered the new financial year with increasing momentum across the business. We are accelerating execution on our strategy to focus on the high-growth, high-margin networking and cybersecurity markets where substantial opportunities exist driven by increasing global demand for secure connectivity. Accordingly, we intend to invest in progressing the work being undertaken to enhance the collaboration and integration between BATM Networks and BATM Cyber and their growth.

BATM Networks and BATM Cyber are expected to deliver significant growth for 2026 based on orders received to date and the current pipeline, which is the largest the pipeline has been for these core activities in recent years and with a more-than doubling of average order size. The performance of the Non-core activities is expected to remain stable.

Accordingly, we are confident of delivering strong underlying growth for 2026 and significant, sustainable growth in the medium-term as we increasingly progress the execution of our strategy to become a business focused on providing highly secure network connectivity. The Board remains highly optimistic about the unique opportunities ahead for BATM and is fully committed to executing our strategy to deliver enhanced value to our shareholders.

Moti Nagar

Chief Executive Officer

20 April 2026



Stakeholder Engagement

BATM seeks to deliver value to, and build strong, long-term relationships with, its stakeholders

The Board of BATM is committed to acting in a way that would most likely promote the long-term success of the Company for the benefit of its members as a whole.

Customers

Our customers rely on our technology solutions and equipment to operate and continue to grow. We seek to understand their evolving needs, enabling both BATM and our customers to share in the value creation.

How we engage

- Client relationship managers dedicated to key customers and key regions
- Annual customer surveys as part of the ISO audit and focused on all aspects of our customer relationships
- Training programmes on our solutions and products for our customers
- Attendance at trade shows, conferences, seminars and webinars
- Working to understand growth drivers in our customers' markets

Financial Investors

The Board has a fiduciary duty to promote the long-term sustainable success of the Group for its shareholders. Certain companies within the Group also have external investors, who are often key to the continued success of the relevant projects.

How we engage

- Regular dialogue and interaction
- Investor communications, including reports, presentations and website
- Meetings with institutional investors and webinars for all shareholders – participated in over 70 shareholder meetings or scheduled calls in 2025
- NEDs available to meet with shareholders on request
- Establishment of clear timelines, milestones and strategic goals

Employees

Our people are our greatest asset. In order to recruit and retain the best talent, we must ensure that we are an employer of choice and that our employment policies are sensitive to our employees' priorities and requirements.

How we engage

- A dedicated Human Resources function
- Open and transparent communication with our workforce
- Annual employee satisfaction surveys
- Personal and career development
- Recognition and rewards
- Team building events

Communities

We strive to be a responsible corporate citizen within the local and wider communities in which we operate, by aiming to behave in a sustainable and socially-responsible manner and supporting local businesses and charities.

How we engage

- Local initiatives that support community and charitable organisations
- Encouragement of employees to work to further charitable goals



Chief Financial Officer's Review



Lior Miles, CPA

Chief Financial Officer

I am pleased to report that total Group revenue increased to \$123.2m (2024: \$117.3m), reflecting growth in BATM Networks and BATM Diagnostics. On a like-for-like basis, excluding the contribution to H2 2024 revenue from Progenetics and Zer Laboratories that were sold during H1 2025, revenue for 2024 was \$113.1m and therefore on an adjusted basis 2025 revenues increased 9% year-on-year.

Gross profit increased to \$40.1m (2024: \$36.8m) with a gross margin of 32.5% (2024: 31.4%), with the improvement reflecting increased gross margin in BATM Cyber and BATM Diagnostics. As noted below, the gross margin in BATM Networks was impacted by a write-off of slow-moving inventory of older products and we expect it to grow going forward.

Sales & marketing expenses increased to \$20.5m (2024: \$19.6m) reflecting the investment in go-to-market strategy, general and administrative expenses rose to \$13.5m (2024: \$12.8m) and R&D expenses slightly increased to \$4.8m (2024: \$4.6m). We recognised net other operating income of \$12.3m (2024: \$4.5m expenses), which is primarily attributable to the capital gain on our disposals, including a capital gain of \$14.1m on the sale of A.M.S 2000 Trading Impex SRL ("AMS"), partly offset by an exceptional expense from a theft of inventory, comprising networking components, at one of our warehouses in December 2025. While we are hopeful that the inventory might still be recovered or that compensation will be received, an expense of \$2.3m has been recognised in the financial statements.

The sale of AMS was a non-cash transaction with the consideration paid by the purchaser being 96,794,500 ordinary shares of NIS 0.01 each in the capital of the Company (see note 33 to the financial statements for further details).

Adjusted EBITDA, excluding amortisation of intangible assets, share-based payments and exceptional expenses related to corporate activity, was \$18.9m for 2025 compared with \$8.1m for the prior year. Adjusted operating profit was \$14.7m (2024: \$3.8m). On a reported basis, operating profit was \$13.5m (2024: \$4.7m loss). This significant growth in adjusted EBITDA and operating profit was primarily driven by the \$14.1m capital gain related to the sale of AMS.

*“I am pleased to report that total Group revenue increased to **\$123.2m** (2024: \$117.3m), reflecting growth in **BATM Networks and BATM Diagnostics**. On a like-for-like basis, [...] revenue for 2024 was \$113.1m and therefore on an adjusted basis 2025 revenues increased 9% year-on-year.”*

Lior Miles, CPA

Chief Financial Officer

Chief Financial Officer’s Review

(cont.)

Profit before tax was \$12.4m (2024: \$5.4m loss). On an adjusted basis, we generated a profit of \$13.6m (2024: \$3.0m profit).

We recorded a tax expense of \$6.2m (2024: \$1.7m), which primarily relates to the tax treatment of the disposal of AMS. Our share of loss of a joint venture and associated companies and share of loss of financial balances of a joint venture and associated companies was \$18.9m (2024: \$0.3m), which, as discussed in the Chief Executive Officer’s Review, is due to the strategic decision to write-off our investment in ADOR Diagnostics (see note 28 to the consolidated financial statements).

Accordingly, net loss from continuing operations was \$12.8m (2024: \$7.5m loss) and loss per share was 2.79¢ (2024: 1.72¢ loss).

We recorded a loss from discontinued operations of \$6.2m (2024: \$14.8m loss), primarily attributable to Celitron, which we sold during the year.

Net cash used in continuing operations (before tax and interest) was \$1.9m compared with \$1.7m of cash generated by continuing operations in 2024. This primarily reflects changes in working capital.

As at 31 December 2025, we had cash and short-term investments of \$23.4m (31 December 2024: \$31.6m). The reduction is primarily due to movement in working capital. Since year end, we have received \$3.7m in cash that had been held by AMS, with a further \$0.3m still to be received.

Group Results

\$m (for continuing operations**)	Adjusted*		Reported	
	2025	2024	2025	2024
Revenue	123.2	117.3	123.2	117.3
Gross margin	32.8%	31.7%	32.5%	31.4%
Operating profit/(loss)	14.7	3.8	13.5	(4.7)
EBITDA	18.9	8.1	18.1	7.1

* Adjusted to exclude amortisation of intangible assets, share-based payments and exceptional expenses related to corporate activity (see ‘EBITDA measurement’ in Other Alternative Measures on page 112)

** See note 20 to the consolidated financial statements

Divisional Performance

BATM Networks

\$m	2025	2024
Revenue	11.6	8.5
Gross margin*	45.7%	52.5%
Adj. operating loss*	(2.7)	(4.0)

* Adjusted to exclude amortisation of intangible assets, share-based payments and an exceptional expense from a theft of inventory

Revenue in BATM Networks increased 36% to \$11.6m, representing growth in revenue from sales of our Carrier Ethernet products as well as Edgility edge virtualisation and management platform. The reduction in gross margin reflects a write-off of slow-moving inventory of older products offsetting the benefits of an exercise undertaken to reduce production costs as well as the lower costs of sales associated with the division's new products. We expect the BATM Networks gross margin to grow going forward, particularly as sales of Edgility account for an increasing proportion of division revenue. BATM Networks also achieved a 33% reduction in adjusted operating loss as a result of the strong revenue growth.

BATM Cyber

\$m	2025	2024
Revenue	8.3	13.1
Gross margin*	51.1%	41.0%
Adj. operating profit*	0.7	3.1

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

Revenue for BATM Cyber in 2025 was in line with our expectations and compares with exceptional orders delivered in the prior year to our long-standing customer. Revenue is derived from products and services delivered to, and development projects with, our long-standing customer as well as initial revenue from the commercial markets. The improvement in gross margin reflects increased efficiencies in the manufacturing process.

BATM Diagnostics

\$m	2025	2024
Revenue	47.5	38.6
Gross margin*	30.0%	28.0%
Adj. operating profit*	17.1	1.3

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

BATM Diagnostics delivered growth in revenue from both our proprietary diagnostic products and distributed diagnostic products provided by AMS. As noted, AMS was sold during the year for which we recognised a capital gain of \$14.1m, which was the main contributor to the significant increase in adjusted operating profit. As explained in the Chief Executive Officer's Review, excluding AMS, revenue in the BATM Diagnostics increased to \$7.7m (2024: \$4.5m), gross margin improved to 42.0% (2024: 29.3%) and there was an adjusted operating profit of \$0.1m (2024: \$1.8m loss).

Non-core Activities

\$m (for continuing operations)	2025	2024
Revenue	55.8	57.0
Gross margin*	29.8%	29.0%
Adj. operating profit*	1.8	3.4

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

Non-core revenue in 2024 included a 12-month contribution from Progenetics and Zer Laboratories, which were both sold during the first half of 2025. If the contribution of these businesses is excluded from the second half of 2024, there was an increase in revenue in 2025 compared with the prior year. Progenetics was sold for a total consideration of \$2m for our 51% shareholding and we received a total of \$383k in cash in consideration for the disposals of Celitron (which had been reclassified as a discontinued operation) and Zer Laboratories.

Lior Miles, CPA

Chief Financial Officer

20 April 2026



Key Performance Indicators



The Group reviews its key performance indicators (“KPIs”) on an ongoing basis to ensure they remain relevant. As the Group continues to execute and embed its new strategy, further KPIs will be selected as the most appropriate measures of business performance. The measures below are for continuing operations (see note 20 to the financial statements for details on the discontinued operations).



Description

Revenue reflects the element of billings generated and recognised during the period from all operations.

Why it is a KPI

Measures our overall performance at the sales level.

Performance

The increase in total revenue represents growth in BATM Networks, BATM Diagnostics and, on a comparable basis*, the Group’s Non-core activities. This offset a reduction in BATM Cyber, with revenue in line with management expectations and compares with exceptional orders delivered in 2024. On a reported basis, revenue increased from \$117.3m in 2024 to \$123.2m in 2025, reflecting growth in BATM Networks and BATM Diagnostics.

(* Revenue for 2024 adjusted to exclude the contribution to H2 2024 of the Progenetics and Zer Laboratories operations that were sold during H1 2025)

Description

Group earnings before interest, tax, depreciation and amortisation and adjusted to exclude amortisation of intangible assets, share-based payments (which are non-cash) and expenses related to corporate activity.

Why it is a KPI

Measure of our effectiveness in turning revenue into earnings.

Performance

The significant increase is primarily driven by a \$14.1m capital gain related to the sale of the Group’s A.M.S 2000 Trading Impex SRL subsidiary during the year.

Description

Amount of money the Group brings in from, or uses in, its operating activities before the impact of tax and interest payments.

Why it is a KPI

Reflects how much cash is generated by our primary activities that can be used to maintain or invest in the growth of our business.

Performance

The movement primarily reflects changes in working capital.



Environment & People

The Directors recognise the significant impact a company can have on its environment and its social responsibilities. While the Group continues to execute on its strategy and transform its business, the Board is committed to proactively taking environmental and social considerations into account and, increasingly, to understand and measure its performance in this regard.

People

BATM's people are vital to sustaining success. In order to recruit and retain the best talent, the Group must ensure that, across its businesses, it is an employer of choice and that its employment policies and practices are sensitive to employees' priorities and requirements.

BATM has employees in six countries, including scientists, engineers, sales & marketing personnel and those in corporate functions, and aims to adhere to certain principles in terms of employee engagement and employment practices across the Group. During 2025, efforts were focused on ensuring greater communication, fostering better synergy, strengthening team connections and celebrating successes. In particular, the Group undertook a significant exercise to launch a new brand identity founded on the commonality between the Group's core businesses and to bring them under a unified brand identity. It also included a redefining of the Group's purpose in a way to unite BATM's people across the business.

Engagement

BATM understands the importance of maintaining open and transparent communication with its workforce, and listening to its people and taking into account their feedback. To support employee engagement, the Group has a dedicated human resources function comprising a network of human resources departments at subsidiary level each headed up by a VP-level executive who are overseen by the Global VP Human Resources.

The senior management within the Group's businesses regularly communicate with employees on areas including Group strategy and progress. The Group holds periodic roundtable discussions for employees to meet with management to share their views, raise any concerns and

make suggestions on how the workflow in their departments could be improved. The Group also holds off-site team building events and company celebrations. In 2025, this included a significant event to celebrate the launch of the Group's new brand, which brought together employees from around the world.

BATM prioritises training and development for its workforce, which was continued during 2025. The Group has training schemes focused on product training, skills enhancement and the achievement of additional career-enhancing qualifications, and often supplies in excess of two weeks training per year for individual employees. In 2025, this included two comprehensive training workshops on artificial intelligence for all of the Group's employees worldwide, which the Group intends to continue to invest in.

Diversity, equality & inclusion

BATM recognises the benefits to its business of supporting diversity, equality and inclusion for long-term sustainable success. The Group is committed to providing a working environment in which all employees feel valued and respected and are able to contribute to the success of the business. The Group promotes equal opportunities within all of its businesses and aligns its approach with international human rights standards. BATM believes its employees should be able to work in an environment free from discrimination, harassment and bullying, and that employees, job applicants, customers and suppliers should be treated fairly regardless of:

- race, colour, nationality, ethnic or national origins;
- gender, sexual orientation, marital or family status;
- religious or political beliefs or affiliations;
- disability, impairment or age.



As detailed further on page 34 of the Corporate Governance Report, as a company incorporated in Israel, BATM is subject to the Israeli Law of Equal Opportunity at Work (1988), which forbids discrimination on the basis of (among others) race, nationality, state of origin and gender, including in hiring job candidates. The law states that if an employer asks an employee or candidate for such details, it will be assumed that the employer has violated the non-discrimination provision. The Group operates in compliance with this law.

Health, safety & wellbeing

BATM prides itself on providing high levels of standards on the health and safety of its employees. The Group has, and adheres to, health and safety guidelines across the Group, and has welfare programmes. The Group provides clothing for employees working in manufacturing areas. In the Group's corporate headquarters, employees have access to a gym. There were no health and safety incidents reported and the Group did not receive any regulatory fines or penalties in relation to health and safety matters during the year.

Anti-bribery & corruption

BATM promotes responsible business behaviour. The Group has an anti-bribery and corruption policy that provides guidance, details prohibited activities and outlines responsibilities and whistleblowing mechanisms.

The whistleblowing procedure is managed by an independent administrator who is a partner at an Israeli professional services firm, Chaikin, Cohen and Rubin. Employees are encouraged to approach the administrator if they have concerns about possible wrongdoing including potential or actual breaches of applicable laws and regulations and fair business conduct. The approach can be anonymous, if the employee chooses. The Group has undertaken not to take subsequent disciplinary action against a complainant unless the report was subsequently judged to have been made in bad faith or to be malicious.

During 2025, there were no instances of whistleblowing reports, bribery, corruption or business interruptions as a result of regulatory activity.

Communities

BATM strives to be a responsible corporate citizen within the local and wider communities in which it operates by behaving in a socially responsible manner and supporting local businesses and charities. While it does not have a formal Group-wide approach, a notable initiative during 2025 was the Group's collaboration with iSchool, a non-profit organisation that seeks to reduce social gaps and provide equal education for all regardless of socio-economic background or geographical limitation. Employees who volunteer for the six-month programme receive guidance and training from iSchool and then provide weekly online tutoring to students.

Environment

The Group has continued to take steps towards assessing and managing its impact on the environment, incorporating climate-related risks and opportunities into its business planning and reporting thereon, as detailed in the TCFD Report that follows. Developing awareness of environmental guidelines at operating facilities, upgrading energy and lighting systems and developing waste management procedures are examples of some of the initiatives to improve the Group's environmental impact that have already been made.



TCFD Report

The disclosure framework of the former Task Force on Climate-related Financial Disclosures (“TCFD”) is structured around four thematic areas that are core to how organisations operate – namely, governance, strategy, risk management and metrics and targets – with 11 recommended disclosures under these four themes.

This TCFD Report follows the structure of the TCFD 11 recommended climate-related disclosures, setting out those in which the Company is making full disclosures and those for which full disclosures are not being made for 2025, the reasons for not including them and the plans in place to make these disclosures going forward.

The table below shows the TCFD recommended climate-related disclosures and the status of each disclosure:

TCFD Recommendation	Status	Listing
Governance		
a) Describe the board’s oversight of climate-related risks and opportunities.	Full disclosure	See page 21
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	Full disclosure	See page 21
Strategy		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Full disclosure	See page 22
b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	Full disclosure	See page 23
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	In progress	
Risk Management		
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	Full disclosure	See page 23 & 25
b) Describe the organisation’s processes for managing climate-related risks.	Full disclosure	See page 23 & 25
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	Full disclosure	See page 23
Metrics and Targets		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Full disclosure	See page 24
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Full disclosure	See page 24
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	In progress	



Governance

The organisation's governance around climate-related risks & opportunities.

The following should be read in conjunction with the Corporate Governance section of this annual report, which can be found on pages 28 to 63, and which is incorporated into this TCFD Report by reference. The governance structure around climate-related risks & opportunities is part of the Group's overall risk & opportunities governance structure.

Board oversight

The overall responsibility for the detection and management of climate-related risks and opportunities lies with the Board of Directors. The Responsible Business Committee of the Board (the "Committee") oversees the management of the various responsible business activities of the Group, including the management of climate-related risks and opportunities. During 2025, the Committee met on four occasions. In addition, climate-related issues were discussed in full Board meetings. Prior to their meetings, the Directors are furnished with information in a form and quality appropriate for them to discharge their duties concerning the state of the business and performance. In its meetings during 2025, the Committee's discussions included, inter alia, the TCFD disclosure recommendations, the Group's Risks and Opportunities Management ("ROM") Framework and the Group's Risks and Opportunities ("R&O") Register.

The Board has delegated the daily operational management of the business to the CEO and CFO. With this, the CEO communicates material matters arising, including climate matters, to the Board. The Board also receives a Group-wide overview of the Group's activities, including risks and opportunities, in the CEO's overview in the quarterly meetings of the Board.

During the year, Adv. Livneh, the senior manager leading the planning, delivery and reporting on the climate-related financial disclosures, provided the Committee with an update on the process of managing climate-related risks and opportunities.

Management's role

Managers within the Group's divisions oversee and report climate-related risks and opportunities at division level. BATM's Executive Directors serve as directors in Group subsidiaries, giving them greater insight across the business divisions and optimising information flow and operational decision-making.

Adv. Livneh and Lior Miles, CFO and the Group Risk and Opportunity Manager ("GROM"), between them consult with managers within the Group's divisions to discuss climate risks and opportunities identification, management and reporting. The outcomes of these meetings contribute to the maintenance of the Group's R&O Register, which integrates climate-related transitional and physical risks and business opportunities, following the guidance provided by the TCFD framework.

Adv. Livneh oversees the Group's adherence to the recommendations of the TCFD and the Group's corresponding disclosures.

TCFD Report (cont.)

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

The Group's assessment of its climate-related risks and opportunities are provided in the following TCFD Risks & Opportunities Table:

Risk Category	Category Overview	Subcategories	Description (including timeframe)
Transition Risk	Risks related to the transition to a low-carbon economy	Policy and Legal	<ul style="list-style-type: none"> • Potential fines related to level of GHG emissions (M) • Potential increase of tax liabilities in certain jurisdictions (M)
		Technology	<ul style="list-style-type: none"> • Potential of limiting success in tenders due to insufficient rating in environment certification (M) • Potential of increased energy consumption due to increased temperatures across various jurisdictions (L)
		Market	<ul style="list-style-type: none"> • Potential increase in insurance premiums or inability to insure assets (M)
		Reputation	<ul style="list-style-type: none"> • Costs of complying with climate-related regulation (S)
Physical Risk	Physical risks driven by extreme weather events (e.g. heatwaves, floods, wildfires) or extended periods of increased temperatures leading to the development of chronic climate events (e.g. desertification)	Acute	<ul style="list-style-type: none"> • Potential damage to infrastructure, closure of production plant and business activity interruption due to wildfires in certain jurisdictions (L) • Increase in costs due to higher energy consumption due to alterations in global temperature patterns (L)
		Chronic	
Opportunity	Opportunities arising as the business landscape transitions to a low-carbon economy	Resource Efficiency	<ul style="list-style-type: none"> • Increased consumer preference due to potential reduction in energy consumption/GHG emissions (S)
		Energy Source	<ul style="list-style-type: none"> • Analysis of alternative energy source provision to improve costs and reduce environmental impact at facilities in certain jurisdictions (S)
		Products/Service	<ul style="list-style-type: none"> • Enhanced resilience compared with competitors due to earlier adoption of climate-related risks and opportunities management (S)
		Markets	
		Resilience	

KEY: S – short term; M – medium term; L – long term

The Group considers the short-term time horizon to be up to two years; medium-term to be between two and five years; and long-term to be over five years. In defining such timeframes, the Group took into account the nature of climate-related issues, which often manifest themselves over the medium and longer terms; the useful life of the Group's assets and infrastructure; and the timeframe that is relevant and realistic to identify and analyse transitional changes and to make the necessary adjustments in the strategy and operations of the Group, such as developing new product lines or making changes in existing ones.

To determine which risks and opportunities could have a material financial impact, the Group applies a ROM Framework, as described in the Risk Management section of this report. This Framework incorporates the detection, evaluation and management of climate-related risks and opportunities into the Group's general risk management, and in its application during 2025 climate-related risks and opportunities were discussed with unit managers and considered in the process of maintaining and updating the Group's R&O Register.

The risks and opportunities detection, analysis and evaluation performed by the Group in 2025 did not reveal any climate-related issues that, in the opinion of the Group, taking into account the probability, impact and timeframe of the risks and opportunities, could have a material financial impact on the Group. Accordingly, climate-related risks and opportunities had no significant impact on the Group's business model, strategy or financial planning. The Group will continue to track and review the risks and opportunities as they evolve.

Next steps

The Board has decided that the Group will perform two scenario analyses – including a '2°C or lower' scenario – based on qualitative assessment of the impact on the Group's activities, supply chain, energy costs and geographic exposure. This analysis of the Group's resilience to climate-related scenarios will begin over the coming two years as the Group continues the rollout of its new strategy to become a business focused on networking and cybersecurity.

Risk Management

The processes used by the organisation to identify, assess, and manage climate-related risks.

The Group's processes to identify, assess and manage climate-related risks are described in the Risk Management section on pages 25 to 27, which is incorporated into this TCFD Report by reference. The processes regarding climate-related risks are fully integrated into, and form part of, the processes for all business risks.

As noted in the Risk Management section, the management of the Group's business risks, including climate-related risks, is the responsibility of the Board. The GROM – in conjunction with the Board, General Counsel, business unit managers and external advisers – identifies and assesses business risks, and develops proposed actions for the management thereof.

Risk management is conducted in accordance with the Group's ROM Framework, which incorporates the following four key steps, as discussed further in the Risk Management section: detection and list, assessment, action and monitor and report. The Group has also progressed its climate-related risks and opportunities assessment procedure to include the impact on the metrics that it has adopted to assess climate-related risks and opportunities as described overleaf.

TCFD Report (cont.)

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

The metrics BATM has adopted to assess climate-related risks and opportunities are CO₂ emissions across Scope 1, Scope 2 and category 6 of Scope 3 standards in line with the Greenhouse Gas (GHG) Protocol.

A comprehensive assessment of BATM's GHG emissions was undertaken, in accordance with the GHG Protocol. In summary, there was a reduction in total CO₂ emissions in 2025 to 1,831 tons (2024⁽¹⁾: 1,988), which reflects lower emissions in BATM Diagnostics and the Group's non-core activities. The following table shows the Group's 2025 GHG emissions broken down by scope and division, including the Group's corporate headquarters and its non-core activities:

Division	CO ₂ e (tons) Scope 1&2	Business Travel CO ₂ e (tons) Scope 3 Cat.6	Total CO ₂ e (tons)	Distribution Ratio of CO ₂ e
Corporate HQ	70.43	15.33	85.76	5%
BATM Networks	131.54	64.16	195.71	11%
BATM Cyber	30.76	2.51	33.27	2%
BATM Diagnostics	513.39	27.02	540.41	30%
Non-core ⁽¹⁾	973.06	3.14	976.20	53%
Total Group	1,719	112	1,831	-

In preparation for establishing performance metrics to assess the environmental impact and progress within each division, the Group has analysed carbon intensity ratio per US\$ million in revenue in 2025:

Next steps

Division ⁽²⁾	Revenue (\$m)	Total CO ₂ e (tons)	tCO ₂ e/\$m	Distribution Ratio of CO ₂ e
BATM Networks	11.6	205.3	17.7	11%
BATM Cyber	8.3	34.9	4.2	2%
BATM Diagnostics	47.5	567.0	11.9	31%
Non-core ⁽¹⁾	55.8	1,024.2	18.4	56%
Total Group	123.2	1,831.4	14.9	-

To enable the Group to better monitor its emissions, determine trends, establish reduction targets, analyse potential areas of risk and identify the opportunities available, the Group intends to progress:

- Propose to the Board the targets that should be used to assess and manage relevant climate-related risks and opportunities, with 2027 forming the base year.
- System integration for collecting data throughout the year.
- Using emission data to inform decision making through regular internal reporting and support the management and eventual reduction of emissions from Scope 1 & 2.
- Continue the expansion of Scope 3 categories measurement.

(1) The figures are for continuing operations only

(2) The emissions for the corporate headquarters have been allocated to the divisions on a proportionate basis



Risk Management

Risk Management Process

The management of the Group's business risks is the responsibility of the Board. Opportunities and risks to the future success of the business have been considered and addressed in accordance with BATM's corporate Risk and Opportunity Management ("ROM") Framework. The process for the identification of emerging risks and for the assessment, management and mitigation of business risks is as follows:

Detection and listing

The Group Risk and Opportunity Manager ("GROM") – in conjunction with the Board, General Counsel, managers in the Group's divisions and external advisers – identifies risks and opportunities ("R&O") that are material to BATM, and which includes the consideration of climate-related risks. The process includes meetings with unit managers and the use of key relevant information sources. The maintenance of the resulting R&O list is undertaken by the GROM and approved by the Board. Mr. Lior Miles, the Group's CFO and an Executive Director, is the GROM of BATM.

Assessment

An assessment of each R&O is undertaken by the GROM, in conjunction with the parties listed above. This assessment is based on impact, probability and timeframe – producing a risk assessment ranking – and determines those risks and opportunities that require the development of appropriate actions. This is then reviewed by the CEO before being presented to the Board. During 2025, the Board carried out a review of the effectiveness of the Group's risk management and internal control systems.

Action

The GROM, with the appropriate unit managers, develops proposed actions that are then finalised in conjunction with the CEO. The GROM and unit managers ensure the completion of the actions in the agreed timeframe.

Monitor and report

The Company's internal auditor (as defined under Israeli law) monitors the completion of the agreed actions and the CEO and GROM report regularly to the Board, who monitor and approve the decisions and actions.

The process is repeated periodically, with dynamic adjustments to the process itself, if required, and based on any significant changes in any significant risk and/or opportunity.

Viability Statement

The Directors have assessed the Company and the Group's viability over a period of three years. The Directors have determined that a three-year period is an appropriate timeframe for assessment because it is aligned to the Group's strategic planning process and therefore reflects the Board's best estimate of the future viability of the business.

In making their assessment, the Directors took account of the Company and the Group's current financial and operational positions and contracted capital expenditure. They also assessed the potential financial and operational impacts, in severe but plausible scenarios, of the principal risks and uncertainties set out below and the likely degree of effectiveness of current and available mitigating actions. Based on this assessment, the Directors have a reasonable expectation that the Company and the Group will be able to continue in operation and meet all their liabilities as they fall due for the three years to 31 December 2028.

In making this statement, the Directors have also made key assumptions (see note 4 to the financial statements).

Risk Management (cont.)

Principal Risks and Uncertainties

The risks outlined below are those that the Board considers to be material to the Group. The Board routinely monitors risks that could materially adversely affect the ability of the Group to achieve its strategic goals and to maintain financial stability, assisted by the senior management team.

	Risk	How we manage the risk	Risk assessment in 2025*
Political and economic	There is a risk of harm to the business from political unrest or disruption, particularly in emerging markets, and from a deterioration of economic conditions.	The Group's operations are dispersed over a number of locations so that should a material adverse political or economic event arise in one location, the Group can continue with its operations elsewhere, thereby helping to mitigate the impact on its overall business.	↓ Low
Legal and compliance	There is a risk that legal and/or regulatory requirements are not met, leading to the loss of licence to operate, reputational damage or financial loss.	The Group retains experienced high calibre legal advisers for the Company and the Group's divisions who provide ongoing advice and updates on relevant legal compliance requirements. The Group monitors the regulations relevant to its activities and, when needed, makes the necessary adjustments to maintain compliance.	↑ Mild
Business continuity	There are risks to business continuity from specific events, such as natural disasters and pandemics.	The Group operates in numerous locations and its manufacturing contractors are also located in multiple locations, which would help to mitigate the impact of a business disaster. In addition, the key employees in the workforce have been positioned such that they are able to work without interruption by working remotely from their homes. The Group also keeps a cash cushion to ensure that unexpected events don't cause unnecessary indirect adverse effects beyond the direct outcomes.	— Mild
Supply chain	A disruption in the supply of key raw materials or services to a manufacturing site could affect the Group's ability to make and deliver products to customers, leading to interruption in supply, lost revenue and damage to its reputation as a reliable supply partner. This could be resulting from market shortages, disruption due to global events and physical climate-related disruption of upstream supply chains.	The Group has established strong supplier relationships and collaborates with multiple vendors globally to broaden the geographical coverage of its access to available components. The Group requests that customers provide long-term committed forecasts and itself provides multi-year forecasts to its contract manufacturers. Where appropriate, it reengineers products to enable them to have replaceable component alternatives. At times when availability of components is constrained, the Group seeks alternative sources and to increase inventory levels of both components and finished goods. In addition, the Group's management of supply chain risk has been strengthened with the creation of the Group-wide Chief Operating Officer role in 2024 and the roll-out of new operational processes in 2025.	↓ Low
Competition	There is a risk that BATM is unable to build and maintain competitive advantage in its focus markets. In particular, there is a risk that competitors with greater financial resources may develop technology that is superior to that of the Group and they may also adopt more aggressive pricing models or undertake more extensive advertising and marketing campaigns.	The Group operates in large markets, but with a focus on areas where it can establish a leadership position through technological expertise and innovation. The Group ensures that its products remain world-leading through investment in R&D. It maximises its resources and enhances its routes-to-market by establishing partnerships, collaborations and joint ventures. In 2025, the Group also expanded its sales personnel for its networking and cybersecurity activities.	— Mild

Customers and partners	There is a risk of harm to the Group's revenues as a result of termination of business relationships with material customers or partners and sales agents. This risk is increased by the challenging global macroeconomic conditions and the impact that this could have on the business and viability of customers and partners.	The Group maintains ongoing dialogue with its customers and business partners in order to identify ahead of time any potential problems arising on the part of the customer and in order to maintain a close relationship with its customers. The Group also does not have a significant reliance on one or few customers or partners.	↑ Mild
Research & Development (R&D)	There is a risk that R&D programmes overrun or do not deliver the expected benefits.	With respect to R&D, the Group's strategy has been to diversify its R&D operations among a variety of teams and by using different R&D funding sources – thus reducing the R&D risk. Any significant new R&D projects are brought to the Board for consideration. In addition, the Group intends to increase its R&D investment in 2026.	↑ Medium
Information security (including cybersecurity)	There is a risk of information security, data loss and corruption, and physical damage to IT infrastructure.	The Group routinely carries out proactive measures, such as IT evaluations, to ensure that its IT systems have the latest cybersecurity tools and security procedures in place. These procedures include, inter alia, implementing security controls, staff training, routing backups and regular rehearsals of the Group's disaster recovery plan. The Group has established an IT committee, led by the Chief Operating Officer and consisting of managers with professional knowledge and experience in networking and cyber risk, which closely monitor IT and cyber risks. During 2025, the Group's internal auditor performed an audit on the Group's IT and cyber resilience, including conducting penetration tests – which is also monitored by external experts. The Group has a cybersecurity insurance policy.	↓ Mild
Market risk	There is a risk that changes in market prices, such as foreign exchange, inflation and interest rates, will lead to financial loss.	The Group's finance department at the corporate level manages and monitors market conditions and exposure. Most of the cash, income and expenses in each company or subsidiary is held in a way to reduce the Group's exposure to currency fluctuations. When this is not possible, the Group uses hedging transactions when needed to protect itself against potential currency risk. However, this is only done to a certain extent as the Board believes it is very difficult to hedge against currency fluctuations arising from translation in consolidation in a cost-effective manner. The Group also monitors the impact of inflation and adjusts sales prices to maintain its margins. The Group's exposure to interest rate risk is low as it has relatively low bank debt. However, due to the impact of changes in interest rates on the financial markets, the Group closely monitors possible indirect impacts.	– Low

* Risk assessment in 2025 compared with 2024. It shows 1) whether the risk was assessed to have increased, decreased or stayed the same compared with the prior year and 2) the risk level, which is calculated based on the scores assigned for each risk for impact, probability and timeframe and ranked as follows: **low** (0-5), **mild** (6-10), **medium** (11-15) and **high** (>15) .

All of the risk categories have elements related to climate change. For further information on the Group's climate-related risk management, please see the 'Strategy' and 'Risk Management' sections of the TCFD Report on pages 22 to 23.



Directors' Biographies



Gil Sharon

Non-executive Chairman

Gil Sharon has over 30 years' experience in the telecommunications industry. He is currently Chairman of IBC, an Israeli fibre optic telecom company. Prior to IBC, he was Executive Chairman of Bezeq The Israeli Telecommunications Corporation Ltd (TASE: BEZQ), the largest telecommunications group in Israel, and Chairman of its subsidiaries: Pelephone, a mobile network operator; Yes, a television and internet service provider; and Bezeq International, a business internet services, international communication, integration and IT solutions company. Other roles have included Chairman, CEO and co-investor of Golan Telecom, and CEO of Pelephone.

Relevant skills and experience

Mr. Sharon has extensive experience in providing strategic business consulting to boards and executives, particularly within the telecommunication and technology sectors.

Committee membership



Moti Nagar

Executive Director & CEO

Moti Nagar has been the CEO of BATM since 1 January 2023, having been the CFO since 2015. During his time at BATM, Mr. Nagar has been instrumental in driving the business' development, including leading several M&A transactions, the Group's IPO on TASE and, since his appointment as CEO, delivering a renewed strategy. Prior to BATM, Mr. Nagar held several senior positions at Deloitte, which he joined in 2005. As a Senior Manager, Mr. Nagar was responsible for handling the accounts of leading corporate clients in Israel and overseas, with companies traded on the LSE, NASDAQ and TASE as well as private businesses operating in a range of sectors. Mr. Nagar is a member of the Managing Board of the Israeli Association of Publicly Traded Companies, a non-profit organisation representing hundreds of companies listed on the Tel Aviv Stock Exchange and other stock exchanges throughout the world. Mr. Nagar graduated in Business Management and Accounting and qualified as an Israeli Certified Public Accountant (CPA, Israel) in 2008. He also holds an MBA in Financial Management from Tel Aviv University. He was re-elected as a Director of the Board in December 2024.

Relevant skills and experience

Mr. Nagar brings to the role of CEO business management and accounting skills and experience he gathered from his years as CFO at BATM and as an audit manager to international companies. As CEO of BATM his core skills include:

- Business leadership and management
- International business operations and strategy
- Business finance
- M&A experience
- Stakeholder and shareholder management
- Forward thinking and calculated risk management



Lior Miles

Executive Director & CFO

Lior Miles was appointed CFO of BATM on 22 June 2025, bringing over 15 years' experience in financial management for public and private companies operating globally primarily in the technology industry, including serving as VP Finance of BATM from 2015-2021. Mr. Miles joined BATM from Kenes Group where, as Group CFO, he oversaw financial operations, including investments, cash management, risk management, insurance, M&A, taxation and financial strategy, for the global operations across 18 locations on four continents. Other experience includes being Director of Finance for Abra Information Technologies Ltd., a TASE-listed provider of IT services and solutions, and its subsidiaries in the US and Israel. Mr. Miles is an Israeli Certified Public Accountant who commenced his career as an accountant at PwC, where he performed company audits in accordance with US GAAP and IFRS standards. He holds a BA in Accounting and Economics and an MA in Accounting from Bar Ilan University.

Relevant skills and experience

- Mr. Miles has senior finance experience at businesses with global operations and with public company obligations. He also has familiarity with BATM due to his previous employment.



Varda Shalev

Non-executive Director

Prof. Varda Shalev is a specialist in epidemiology, medical informatics and predictive analytics in community healthcare. She was a founder and director of the Morris Kahn & Maccabi Institute for Health Research and Innovation and is an active primary care physician. She has pioneered the development of multiple disease registries to support chronic disease management, and has authored or co-authored over 200 publications in peer-reviewed medical journals. She is a Managing Partner of Team8 Health, a medtech focused venture capital company, and a director of Teva Pharmaceutical Industries Ltd. In addition, she is a Professor at the Tel Aviv University School of Public Health and sits on the advisory board of several med-tech businesses.

Relevant skills and experience

Prof. Shalev brings over 30 years' experience in medicine, including clinical research, healthcare information technology and epidemiology. Her industry and clinical knowledge is complemented by business acumen, having established and grown a number of organisations, making Prof. Shalev a valuable addition to the Group as it develops its bio-medical product offering and markets.

Committee
membership



Directors' Biographies (cont.)



Avigdor Shafferman

Non-executive Director

Dr. Avigdor Shafferman had an established career at the Israel Institute for Biological Research, a leading governmental applied research institute specialising in the fields of biology, medicinal chemistry and environmental sciences, where he worked for almost 40 years. He is a recipient of several prestigious scientific awards and author of over 200 scientific papers. Most recently, from 1995 until his retirement in 2013, he was General Director of the organisation. Other roles have included serving as a visiting professor in the University of California, San Diego at the biology department as well as a visiting senior research scientist at various leading research institutions in the United States in various medical areas, including vaccines. Dr. Shafferman holds a Ph.D. in physical chemistry from the Hebrew University of Jerusalem.

Relevant skills and experience

Dr. Shafferman is an influential scientist with experience in top-management and international cooperation. His skills span applied medical research, vaccine development and environmental science, which is highly relevant for supporting BATM's developmental diagnostic activities.

Committee membership



Shmuel Ben Zvi

Non-executive Director

Dr. Shmuel (Muli) Ben Zvi was elected as a Director of BATM in December 2024. He has extensive executive and board experience across multiple industries, including nine years as a director of Bank Leumi, the largest banking corporation in Israel, and being elected Chairman of the board in October 2023 for the final year of his tenure. At Bank Leumi, he was a member of the board's audit, risk management, credit, technology and strategy committees. Dr. Ben Zvi is currently Chairman of Revolut Israel, a digital bank and an entity of the global Revolut Group Holdings Ltd, and a director of Protalix Biotherapeutics (NYSE American: PLX). He was previously a director of Sol-Gel Technologies (NASDAQ: SLGL) and VBL Therapeutics (NASDAQ: VBLT). From 2004 to 2014, he held a number of managerial positions at Teva Pharmaceuticals (NASDAQ and TASE: TEVA), including Vice President of Strategy and Vice President of Finance.

Relevant skills and experience

Dr. Ben Zvi brings to the Board extensive experience in finance and strategy management as well as a deep understanding of corporate governance, including for international public companies.

Committee membership





Ayala Hakim

Non-executive Director

Ayala Hakim is a director of Bank Yahav, which is a retail bank in Israel that was established in 1954. She served as the Chief Information Officer of Mizrahi-Tefahot Bank Ltd., one of Israel's largest financial institutions, and CEO of its technology division from 2013 until 2025. During her tenure, she led large-scale digital transformations, enterprise IT strategy - including harnessing and leveraging technology to implement the bank's business strategy and create new business opportunities - and complex system integrations. Prior to joining Mizrahi-Tefahot Bank, Ayala spent over 30 years in leadership roles focusing on technology and IT for the Israeli government. Mrs. Hakim is currently a non-executive director of Space-Communication Ltd (TASE: SCC).

Relevant skills and experience

Mrs. Hakim brings ample leadership experience across the financial and technology sectors, with a particular focus on business transformation utilising novel technology.

Committee membership



Committee Key

-  Audit Committee
-  Remuneration Committee
-  Nomination Committee
-  Responsible Business Committee
-  Committee Chair

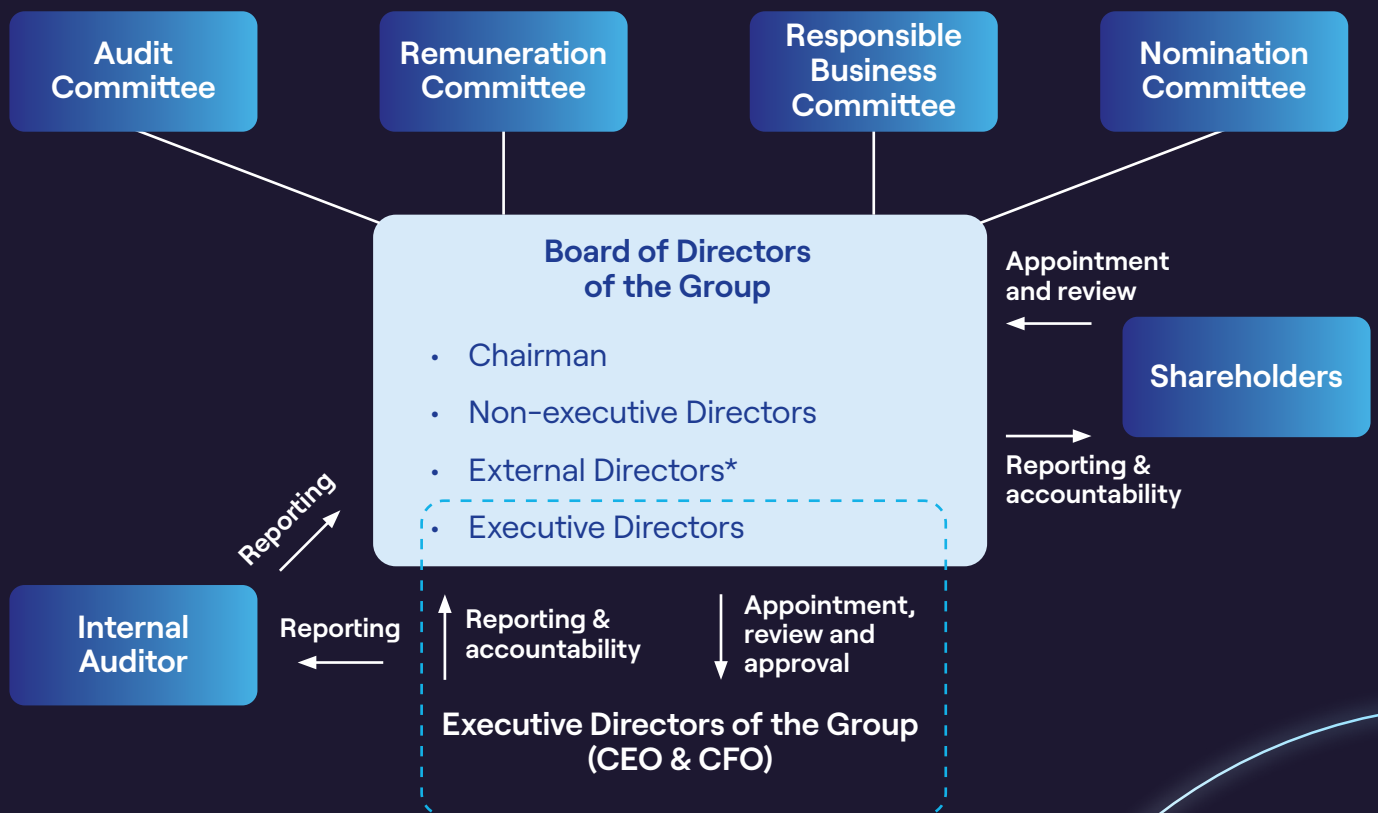


Corporate Governance Report

The Company is committed to high standards of corporate governance and the Board is accountable to the Company's shareholders for such governance. The Board carefully reviews all new regulations relating to the principles of good corporate governance and practice and endeavours to apply them where applicable. It also carefully reviews any comments received from independent reviewing agencies and shareholders and communicates with them directly. The Company believes that the combination of the experience of its Chairman, Gil Sharon, with the experience and expertise of its Executive and Non-executive Directors, provides the Company with the relevant leadership to address its position as an Israeli company that is traded on the London Stock Exchange and which is also traded on the Tel Aviv Stock Exchange. The Company's governance contributes to the delivery of its strategy through the combination of the ongoing leadership of the Executive Directors in the Company's day-to-day efforts to deliver its strategy and the monitoring and guidance of the Chairman and the Board in periodical meetings as well as ad-hoc meetings when a specific issue requires the attention and guidance of the Board.

Corporate Governance Framework

The Board has delegated the daily operational management of the business to the CEO, and holds him to account for his responsibilities. Business risks and opportunities are assessed primarily through the leadership of the Executive Directors (one of whom currently serves as the Group Risk and Opportunity Manager) in consultation with managers within the Group's divisions. The Board also operates through several committees: Audit, Remuneration, Nomination and Responsible Business. Executive Directors serve as directors in Group subsidiaries. The Board receives a Group-wide overview of the Group's activities, including risks and opportunities, in the CEO's overview in the quarterly meetings of the Board. The Board of the Group is able to validate the information that it receives from the Executive Directors via the internal auditor (as defined under Israeli law) and the external auditors' audit of the annual and interim reports. BATM's corporate governance structure is shown in the diagram below.



* As defined under Israeli law

The Board

The Board consists of the Non-executive Chairman, two Executive Directors (CEO and CFO) and four Non-executive Directors. Two of the Non-executive Directors are defined as 'external directors' under Israeli law. All the Directors bring a broad and valuable range of skills and experience to the Group (their biographical details are set out on pages 28 to 31). The division of responsibilities between the Chairman, CEO and other Directors is clearly established, and no individual has unrestricted powers of decision.

Matters reserved for the Board

The Israeli Companies Law, which applies to the Company, sets out and defines the responsibilities and duties of, and areas of decision for, the Board. These include preparation and approval of financial statements; distributions (dividends and share buy-backs); long-term objectives and commercial strategy; appointment, removal and compensation of

senior management; major investments; risk management; corporate governance; engagement of professional advisers; political donations; internal control arrangements; and additional responsibilities and duties as defined in the Israeli Companies Law and the Company's Articles of Association. The ultimate responsibility for reviewing and approving the annual report and financial statements, and for ensuring that they present a balanced assessment of the Company's position, lies with the Board. These provisions have been fully complied with.

Board and Committee meetings

In compliance with Israeli company legislation, the Board meets at least four times a year in formal session. Prior to each meeting, the Board is furnished with information in a form and quality appropriate for it to discharge its duties concerning the state of the business and performance. The Chairman met with Non-executive Directors, without the Executive Directors present, during the year.

Meeting Attendance

Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Responsible Business Committee
Current Directors					
Gil Sharon, Chairman ^{(1) (2)}	2/2	-	-	0/0	-
Moti Nagar, CEO ⁽²⁾	15/15	-	-	-	3/3
Lior Miles, CFO ^{(2) (3)}	2/2	-	-	-	-
Prof. Varda Shalev, SID	15/15	10/10	5/5	2/2	3/3
Dr. Avigdor Shafferman, NED	15/15	9/9	5/5	2/2	4/4
Dr. Shmuel Ben Zvi, NED	14/15	2/2	-	-	1/1
Ayala Hakim, NED ⁽⁴⁾	2/2	1/1	1/1	-	1/1
Former Directors					
Dr. Gideon Chitayat, Chairman ^{(2) (5)}	15/15	-	-	2/2	3/3
Ran Noy, CFO ^{(2) (6)}	5/6	-	-	-	-
Harel Locker, SID ⁽⁷⁾	10/10	8/8	3/3	2/2	3/3
Dr. Zvi Marom, NED ⁽⁸⁾	10/10	-	-	-	-

(1) Gil Sharon was appointed a Non-executive Director on 10 December 2025 and assumed the role of Chairman on 25 December 2025

(2) The Chairman and/or Executive Directors attend parts of certain meetings of the Audit and Remuneration Committees at the request of the Committee or when the Committee Chair decides that they are required for the presentation of certain subjects

(3) Lior Miles was appointed as CFO on 22 June 2025 and became an Executive Director on 10 December 2025 following shareholder approval of his nomination as a Director in accordance with Israeli law

(4) Ayala Hakim was appointed as an External Director on 10 December 2025

(5) Dr. Gideon Chitayat stepped down as Chairman on 25 December 2025 and retired from the Board on 1 January 2026

(6) Ran Noy stepped down as CFO and as a Director on 21 June 2025

(7) Harel Locker finished his final three-year term as an External Director on 25 September 2025

(8) Dr. Zvi Marom stepped down from the Board on 10 December 2025. There were three Board meetings that occurred during the year that Dr. Marom was not eligible to attend owing to his personal involvement in the A.M.S 2000 Trading Impex SRL ("AMS") transaction

Corporate Governance Report (cont.)

Division of Responsibilities

The responsibilities of the Chairman, CEO and other Directors are clearly set out and defined under Israeli Companies Law and the Company's Articles of Association, with no individual having unrestricted powers of decision.

The Chairman is responsible for the leadership of the Board, while the responsibility for the day-to-day management of the Group has been delegated to the CEO. The CEO is supported by the executive management team, which is responsible for making and implementing operational decisions and for making recommendations to the Board.

Independence

Prof. Shalev, Dr. Shafferman, Dr. Ben Zvi and Ayala Hakim qualify as "Independent Directors" as this term is defined in the Israeli Companies Law. The Board considers that the aforementioned directors in addition to Gil Sharon are independent in accordance with the UK Corporate Governance Code. The interests of the Directors in the Company and their shareholdings are set out on page 57.

All Directors are subject to annual re-election by shareholders at the Annual General Meeting, except the external directors – being Prof. Varda Shalev and Ayala Hakim – who, in accordance with Israeli law, cannot be subject to annual re-election (but the law does allow for their removal from office if certain conditions are met). External directors under Israeli law are appointed for a minimum of one three-year term, which may be extended by the Company (subject to shareholder approval) for no more than two additional terms of three years each.

Diversity

The Group operates open and inclusive hiring and staff management practices, and encourages employment of people drawn from a wide range of socioeconomic backgrounds. At present, it does not have a formal diversity policy due to the requirements of the Israeli Law of Equal Opportunity at Work (1988) (see 'Diversity, Equality & Inclusion' on pages 18 to 19). However, it appreciates its importance and intends to explore the ability to produce a policy that complies with Israeli law. The Board evaluates and reviews its structure, size and composition on a continual basis, including its balance of skills, knowledge, experience and diversity, while factoring in the Group's strategy, risk appetite and future development.

Regarding Board composition, the Company is subject to the mandatory provisions of the Israeli Corporation Law, which sets rules regarding board diversity. According to section 239(d) of the law, if at the time of appointing an external director all the current directors are of the same gender, the appointed director should be of the other gender. The Company complies with this provision. Regarding a senior position being held by a woman, Prof. Varda Shalev is Senior Independent Director. Regarding a member of the Board being from a minority ethnic background, inquiries regarding a person's ethnic background or references thereto are considered inappropriate in the Israeli culture and may also be considered inconsistent with law or regulation. As a company incorporated in Israel, BATM is subject to the Israeli Law of Equal Opportunity at Work (1988), which forbids discrimination on the basis of (among others) race, nationality, state of origin and gender, including in hiring job candidates. The law states that if an employer asks an employee or candidate for such details, it will be assumed that the employer has violated the non-discrimination provision. The Group operates in compliance with this law.

As at 31 December 2025, gender representation on BATM's board and executive management team was as shown in the table below.

	Number of Board members	Percentage of the Board	Number in executive management	Percentage of executive management
Male	5	71	23	82
Female	2	29	5	18

Effectiveness and Evaluation

The Board's members have a wide breadth of experience in areas relating to the Company's activities, including in leadership, management, business development, technology, finance, entrepreneurship and risk management. All of the Directors are of a high calibre and standing. The Board is of the opinion that each of its members has the skills, knowledge, aptitude and experience to perform the functions required of a director of a listed company and that the Board is comprised of a good balance of Executive and Non-executive Directors to ensure it performs its duties effectively. Further biographical details can be found on pages 28 to 31.

The Nomination Committee is responsible for succession planning and conducting the process to appoint new Board members. However, ultimately, the appointment of any new Director is a matter for the shareholders at a general meeting.

Non-executive Directors are advised on appointment of the time required to fulfil their role. The Company's two External Directors, as defined under Israeli law, being Prof. Varda Shalev and Ayala Hakim, have significant additional appointments, which is customary in Israel owing to the fixed nature of remuneration and tenure of External Directors. In addition, the Board considers their broader involvement in the business community to be of benefit to BATM and it is satisfied that the Chairman and each of the Non-executive Directors, including the External Directors, are able to devote sufficient time to the Company's business.

During the year, the Board undertook an internal evaluation of its own performance and that of its committees and individual Directors. Individual evaluation aims to show whether each Director continues to contribute effectively and to demonstrate commitment to the role (including commitment of time for Board and committee meetings and other duties).

Induction

The induction of newly elected Directors into office is the responsibility of the Chairman of the Board. The new Directors meet with senior members of management who present the Company and its activities, and receive a guided tour of the Company's corporate headquarters.

Information And Support

Prior to each Board meeting, the Directors are furnished with information in a form and quality appropriate for them to discharge their duties concerning the state of the business and performance. The Directors periodically receive a detailed operating report on the performance of the Company in the relevant period, including a consolidated statement of financial position. A fuller report on the trading and quarterly results of the Company is provided at every quarterly Board meeting. Once per year, a budget is discussed and approved

by the Board for the following year. All Directors are properly briefed on issues arising at Board meetings and any further information requested by a director is always made available.

The Company Secretary, Yair Livneh, is present at every Board meeting and Board committee meeting. All of the Directors have access to Mr. Livneh's services. In accordance with the Israeli Companies Law, in special cases the Directors may take independent professional advice at the Company's expense in furtherance of their duties, if the Company's cover of the costs is approved by the Board or by a court of law.

Board Committees

The Board has appointed an Audit Committee, a Remuneration Committee and a Nomination Committee to deal with specific aspects of the Company's affairs and ensures that each such committee is fully constituted and operates as required under the Israeli Companies Law. In addition, the Board has appointed a Responsible Business Committee to deal with social, environmental, health and safety practices, diversity and similar matters with respect to the way the Company conducts itself. The composition of the aforementioned committees and an overview of their activities are detailed below.

Audit Committee

Members: Prof. Varda Shalev (Chair), Ayala Hakim and Dr. Shmuel Ben Zvi

The Audit Committee meets at least four times a year. The membership of the Audit Committee consists of independent Non-executive Directors. During the year under review, Harel Locker stepped down from the Audit Committee when he retired from the Board after completing his third three-year term as an External Director, which is the maximum time that can be served under Israeli Companies Law. Mr. Locker was succeeded as Chair of the Audit Committee by Prof. Varda Shalev. Mrs. Hakim and Dr. Ben Zvi joined the Audit Committee during the year. The Board has considered the requirements of the UK Corporate Governance Code with respect to the composition of audit committees and is satisfied that all members of the Audit Committee have recent and relevant financial experience and that the Committee as a whole has competence relevant to the sectors in which the Group operates.

The Audit Committee has been delegated responsibility for ensuring the financial performance of the Company is properly reported on and reviewed and for the monitoring of the external auditor, the internal auditor and oversight of internal controls. Further details on the Audit Committee's responsibilities and main activities are set out in the Audit Committee Report on pages 40 to 43.

Corporate Governance Report (cont.)

Remuneration Committee

Members: Ayala Hakim (Chair), Prof. Varda Shalev and Dr. Avigdor Shafferman

The Remuneration Committee has responsibility for making recommendations to the Board on the Company's policy on staff remuneration and is authorised to decide whether to approve remuneration of Office Holders (as designated under Israeli Companies Law), including the Chairman of the Company and Executive Directors (including pension rights and any compensation payments). The membership of the Remuneration Committee consists of independent Non-executive Directors. During the year under review, Harel Locker stepped down from the Remuneration Committee when he retired from the Board and Ayala Hakim joined the committee and succeeded Prof. Shalev as Chair of the committee.

Further details on the Remuneration Committee's responsibilities and activities can be found in the Remuneration Committee Report on pages 44 to 45 (within the Directors' Remuneration Report). Information on the Company's policy regarding the setting of Directors' remuneration, together with the remuneration of Directors, is set out in the Directors' Remuneration Report on pages 44 to 59. The Company's current remuneration policy as recommended by the Remuneration Committee was approved at the Annual General Meeting of the Company on 19 December 2024. The remuneration policy is more fully explained in the Directors' Remuneration Report.

Nomination Committee

Members: Gil Sharon (Chair), Prof. Varda Shalev and Dr. Avigdor Shafferman

The membership of the Nomination Committee consists of independent Non-executive Directors. In line with the Committee's terms of reference, the Chairman of the Board acts as Chair of the Committee. Accordingly, Gil Sharon succeeded Dr. Gideon Chitayat as Chair of the Nomination Committee when he assumed the role of Chairman of the Company. In addition, Harel Locker stepped down from the Remuneration Committee following his retirement from the Board. During the year, the Nomination Committee met on two occasions where it discussed, and recommended to the Board, the appointment of new Non-executive Directors.

The Nomination Committee is specifically tasked with assessing the process utilised by the Company in relation to Board appointments and in monitoring diversity during the recruitment process and in the context of the resulting appointment made. During the process, the Nomination Committee considers the role and capabilities required for a particular appointment, with consideration given to the balance of skills, experience, independence and knowledge on the Board. Board appointments are made on merit, having due regard, amongst other things, to the benefits of diversity on the Board. The Nomination Committee considers the skills, experience and expertise of a potential candidate against the needs of the Company, and presents its recommendations to the Board.

Responsible Business Committee

Members: Dr. Shmuel Ben Zvi (Chair), Ayala Hakim and Dr. Avigdor Shafferman

During the year, Dr. Ben Zvi and Ayala Hakim joined the Responsible Business Committee and Dr. Ben Zvi succeeded Dr. Gideon Chitayat as Chair, with the latter stepping down from the committee along with Moti Nagar and Prof. Varda Shalev. Harel Locker also stepped down from the Responsible Business Committee following his retirement from the Board.

The primary role of the Responsible Business Committee is to assist the Board in:

- understanding the views of key stakeholders in the Company;
- understanding the Company's impact on community and environment;
- assessing and monitoring climate-related risks and opportunities; and
- ensuring that the Board is aware of the processes used by the Company in engaging with its key stakeholders.

The interests of the Company's key stakeholders, as well as the likely consequences of any decisions in the long term, the interests of the Company's employees, the need to foster the Company's business relationships with suppliers, customers and others, the impact of the Company's operations on the community and the environment, the desirability of the Company maintaining a reputation for high standards of business conduct, and the need to act fairly between members of the Company, have been considered in Board

discussions and decision-making through discussions in the Responsible Business Committee; through the participation of external and independent directors who bring external perspectives to the Board discussions; through the incorporation of environmental aspects into the Group's Risks and Opportunities Management Framework; and through the Company's general risk management system, which includes management of risks related to employees, suppliers, customers and reputation.

The duties of the Responsible Business Committee pursuant to its terms of reference are:

- to assess and monitor culture to ensure alignment with the Company's purpose, values and strategy;
- to be responsible for interaction and engagement with the workforce on behalf of the Board, as and when relevant;
- to oversee, monitor and help generate the Company's health and safety systems and practices; and
- to help the Board understand the impact of the Company's operations on the community and environment.

The Responsible Business Committee met on four occasions during the year where it discussed the disclosure recommendations of the former Taskforce on Climate-related Financial Disclosures, the corporate governance of the Company, and the management of climate-related risks and opportunities, and recommended that Prof. Shalev's tenure as 'Voice of the Workforce' be extended for a further year, which was approved by the Board.

Relations with Shareholders and Significant Shareholders

Communication with shareholders is given high priority. The half-yearly and annual results are intended to give a detailed review of the business and developments, and are available on the Company's website to all shareholders. Printed copies of the full Annual Report are made available on request. The Company solicits regular dialogue with institutional shareholders (other than during closed periods) to understand shareholders views. The Board also uses the Annual General Meeting to communicate with all shareholders and welcomes their participation. Directors are available to meet with shareholders at appropriate times. The Company is committed to having a constructive engagement with its shareholders. During 2025, the CEO and CFO attended over 70 scheduled meetings with investors (including group meetings).

The Chairman of the Board (as well as the CEO and CFO) attended the Annual General Meeting. He also communicated with certain significant shareholders during the year.

As of 31 December 2025 and 24 February 2026 (being the date of the Company's latest shareholder analysis report), to the best of the Company's knowledge, the following persons or entities had a significant holding of BATM ordinary shares:

	Percentage of total voting rights	
	31 December 2025 ⁽¹⁾	24 February 2026 ⁽²⁾
Lombard Odier Investment Managers	29.72%	27.10%
Dr. Zvi Marom	22.16%	– ⁽³⁾
Premier Miton Investors	–	7.91%
Canaccord Genuity Wealth Management	3.72%	4.68%
Herald Investment Management	3.64%	4.11%
Wirral BC	2.86%	3.68%

1) As at 31 December 2025, the Company's issued share capital consisted of 441,369,184 ordinary shares, including 4,495,000 ordinary shares held in treasury. Therefore, the total number of voting rights in the Company was 436,874,184

2) As at 24 February 2026, the Company's issued share capital consisted of 441,369,184 ordinary shares, including 96,794,500 ordinary shares held by a subsidiary of the Company (pursuant to the AMS sale agreement), which, in accordance with Israeli Companies Law, do not have any voting rights, and 4,495,000 ordinary shares held in treasury. Therefore, the total number of voting rights in the Company was 340,079,684

3) The Group sold AMS to Dr. Marom in exchange for his entire shareholding in the Company and Dr. Marom ceased to be a shareholder of BATM following the closing of the transaction, which occurred on 31 December 2025

Corporate Governance Report (cont.)

Culture and Conflicts

The Board also works to ensure that within the Group there exists a culture that is free from discrimination and harassment in any form. The Board ensures that the Company complies with Israeli legislation known as the Israeli Equal Rights for People with Disabilities Law, 5748-1988 to ensure that appropriate consideration is given to employees with disabilities. The Company is also in full compliance with Israeli legislation known as the Law of Equal Opportunity at Work, 1988, which requires an employer not to discriminate amongst employees on account of sex, sexual tendencies, personal status and various other forms of discrimination.

Throughout 2025, the Company complied with procedures in place for ensuring that the Board’s powers to authorise conflict situations operated effectively. During 2025, no conflicts arose that required the Board to exercise authority or discretion in relation to such conflicts.

Annual General Meeting

The 2025 Annual General Meeting (“AGM”) was held on Wednesday 10 December 2025. The results of voting were published via the Regulatory News Service and on the Company’s website at www.batm.com. The Chairman, CEO and CFO attended the AGM in person.

Compliance with the UK Corporate Governance Code

Shareholders can find information on how the Company has applied the principles of the 2024 UK Corporate Governance Code (the “Code”) as follows:

Board leadership and company purpose	
Chairman’s Statement	Pages 4 to 5
Business Model	Page 6
Strategy	Page 7
Chief Executive Officer’s Review	Pages 8 to 11
Corporate Governance Report	Pages 32 to 39
Stakeholder Engagement	Page 12
Division of responsibilities	
Matters reserved for the Board and Board and Committee Meetings	Page 33
Division of Responsibilities	Page 34
Board Committees	Pages 35 to 37
Composition, succession and evaluation	
Directors’ Biographies	Pages 28 to 31
The Board	Page 33
Effectiveness & Evaluation	Page 35
Nomination Committee	Page 36
Audit, risk and internal control	
Audit Committee Report	Pages 40 to 43
Risk Management	Pages 25 to 27
Remuneration	
Directors’ Remuneration Report	Pages 44 to 59

The Board considers that, during 2025, the Company complied with the provisions set out in the Code with the exception of the matters referred to below:

Provision	Exception and Explanation
<p>18 All directors should be subject to annual re-election.</p>	<p>In accordance with Israeli law, the Company is required to appoint at least two independent non-executive directors (defined as 'external directors' within Israeli law), who must be appointed for a minimum of one three-year term. Prof. Varda Shalev and Ayala Hakim are classified as external directors and cannot be subject to annual re-election (however, the Israeli Companies Law does provide grounds for removing an external director from office). All other members of the Board are subject to annual re-election. Ayala Hakim was appointed at the annual general meeting in 2025 and Prof. Shalev was not subject to re-election for the reasons outlined above.</p>
<p>19 The chair should not remain in post beyond nine years from the date of their first appointment to the board.</p>	<p>During 2025, Dr. Gideon Chitayat was Chairman of the Board until 25 December 2025. As of June 2025, he had served on the Board for 15 years – ten of these as Chairman. Dr. Chitayat was appointed to the Board as an independent Non-executive Director and the Board considered him as independent in character and judgement during his tenure. His knowledge of the business and the understanding of its various components, which is built on his experience, combined with his independence of mind, enabled a critical review of strategy and operations. In addition, his vast business experience, expertise and knowledge of directing large business organisations within Israel was a valuable resource for the Board and the Company as a whole.</p> <p>On 25 December 2025, Gil Sharon, who was appointed as a Non-executive Director on 10 December 2025, succeeded Dr. Chitayat as Chairman. Accordingly, since 25 December 2025, the Company has been in compliance with this provision.</p>
<p>20 Open advertising and/or an external search consultancy should generally be used for the appointment of the chair and non-executive directors.</p>	<p>This is not customary practice in Israel. The great reputation, extensive experience and broad business network of Dr. Chitayat, the former Chairman, enabled him to bring top-level candidates for the positions of Chairman and Non-executive Director. Their appointment received unanimous support from the members of the Nomination Committee and the Board.</p>
<p>21 A regular externally facilitated board evaluation</p>	<p>Externally facilitated Board evaluation is not common practice in the Israeli corporate business environment. The Company performed an internal Board evaluation.</p>
<p>32 Before appointment as chair of the remuneration committee, the appointee should have served on a remuneration committee for at least 12 months.</p>	<p>In accordance with Israeli Companies Law, the Chairs of the Audit Committee and Remuneration Committee must be External Directors (as this term is defined in the Israeli Companies Law). There are two External Directors in the Company (Prof. Shalev and Mrs. Hakim) and the Board believes it would be better not to have the same person chair both committees. The Board decided that Prof. Shalev, who has more experience in BATM's Board, should serve as Chair of the Audit committee and Mrs. Hakim will Chair the Remuneration committee. While Mrs. Hakim has not served in the Remuneration Committee for 12 months prior to her appointment as Chair, the other two members have served in the Remuneration Committee for several years, including as Chair (Prof. Shalev), so the required experience exists in the Remuneration Committee and is being used in its discussions and decisions.</p>



Audit Committee Report

Dear Shareholder,

I am pleased to present the [Audit Committee report for 2025](#). I trust that this report will provide you with an insight into our work, the matters handled and the focus of the Audit Committee's deliberations during the year.

Membership and attendance

The members of the Audit Committee are:

- Prof. Varda Shalev (Chair), Senior Independent (Non-executive) Director ("external director" as this term is defined in the Israeli Companies Law)
- Dr. Shmuel Ben Zvi, Non-executive Director ("independent director" as this term is defined in Israeli Companies Law)
- Ayala Hakim, Non-executive Director ("external director")

The Audit Committee members are independent Non-executive Directors of the Company, with diverse skills and financial and/or related business experience gained in senior positions in a range of organisations relevant to the sectors in which BATM operates. The Board is satisfied that I, as Chair, have recent and relevant financial experience, including having been a member of the Audit Committee since joining the Board in 2018 ahead of being appointed Chair in 2025.

During the year under review, Harel Locker was a member and Chair of the Audit Committee until he retired from the Board on 26 September 2025 following the completion of his third three-year term as an external director. Dr. Avigdor Shafferman was a member of the Audit Committee until 14 December 2025. Dr. Shmuel Ben Zvi became a member of the Committee on 28 September 2025 and Ayala Hakim became a member on 14 December 2025.

The Audit Committee meets at least twice a year, and always prior to the announcement of interim or annual results. The external auditors and internal auditor are invited to attend all meetings to ensure that all the information required by the Audit Committee is available for it to operate effectively and the Audit Committee reports back to the Board. The Audit Committee also meets with representatives of the Company's external auditors at least twice per year (with executive officers present) and raises any issues it has with the review and/or audit carried out by the external auditors and comments on specific issues it believes the auditors should be focusing on when required. The Chairman and/or Executive Directors attend parts of certain meetings of the Audit Committee at the request of the Committee or when the Committee Chair decides that they are required for the presentation of certain subjects.

The Company Secretary is secretary to the Audit Committee.

During the year, there were 10 meetings of the Audit Committee, which were attended by all members.

Governance and compliance

The Audit Committee adheres to the functions and requirements prescribed to it by the Israeli Companies Law and Israeli Regulations as well as to the specific Terms of Reference adopted by the Board for this committee and takes account of the relevant provisions of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority ("FCA") and the UK Corporate Governance Code. The Chair of the Audit Committee maintains close contact on a regular basis with the key people involved in the Company's governance.

Responsibilities and activities

The Audit Committee's responsibility is to, among other things, ensure that the financial information published by the Group properly presents its activities to stakeholders in a way that is fair, balanced and understandable; monitor the scope and results of the external and internal audit; review whistleblowing procedures; consider compliance with legal requirements, accounting standards and the Listing Rules of the FCA; and advise the Board on the requirement to maintain an effective system of internal controls. The Committee also keeps under review the independence and objectivity of the Group's external auditors, value for money of the audit and the nature, extent and cost-effectiveness of the non-audit services provided by the auditors. Pursuant to section 117 (6) of the Israeli Companies Law, the Audit Committee is responsible to fix procedures and policy for whistleblowing and to oversee these procedures.

In 2025, the Audit Committee's activities included:

- Reviewing, and approving, annual results for the year to 31 December 2024, the Annual Report for the year to 31 December 2024 and the Half-year Report for the six months to 30 June 2025 and discussing them with management and the external auditor to assess whether the reports, taken as a whole, were fair, balanced and understandable prior to recommending these to the Board for approval.
- Reviewing and challenging areas of significant risk and judgement and the level of disclosure.

- Challenging the assumptions and analysis produced by management in relation to the Company's going concern basis of preparation, the long-term viability statement and associated risk assumptions, the accounting policies and disclosures, the financial reporting issues and the assumptions and adjustments made.
- Reviewing and approving the financial results for the first and third quarters of 2025.
- Recommending to the Board the appointment of a new internal auditor.
- Reviewing the work plans of the internal auditor for 2025 and 2026.
- Reviewing the findings of the internal audit work and the follow-ups of reviews done in the previous year and considering the internal audit work plan for the following year.
- Reviewing the effectiveness of the Group's internal controls and disclosures made in the Annual Report and Financial Statements.
- Monitoring, reviewing and approving the negotiation process and sale of A.M.S 2000 Trading Impex SRL.
- Validating that the resignation of the Chief Financial Officer was not caused by factors that would be of concern to the Committee.

Internal audit, internal control and risk management

During 2025, the Company continued to follow the processes for identifying, evaluating and managing the significant risks faced by the Group in accordance with its Risk and Opportunity Management Framework as described in the Risk Management section on page 25. Principal controls are ultimately managed by the Executive Directors, including alongside regular review by management and the Board of the operations and the financial statements of the Company. The Executive Directors, as part of the Board, have overall responsibility for ensuring that the Company maintains adequate systems of internal control and for determining the nature and extent of principal risks. The Board confirms that it has carried out, during 2025, a robust assessment of such risks accordingly, including those that would impact the Company's business model, future performance, solvency or liquidity, and have considered how they are to be mitigated.

Audit Committee Report (cont.)



Prof. Varda Shalev
Audit Committee Chair

In accordance with the Israeli Companies Law, the Company retains the services of an independent qualified internal auditor. Each year, the Audit Committee reviews with the internal auditor potential risks and a proposed plan for their scope of work. Each year the Audit Committee usually selects at least two areas of the Company's operations on which it requests the internal auditor to focus and prepare an internal audit report with recommendations. Following the completion of each report, the internal auditor sends it to all the Directors and presents their findings to the Audit Committee. The Audit Committee then reports to the Board on any major findings together with the internal auditor's recommendations for improving controls and corporate responsibility and the Board instructs management to implement the recommendations. During the year under review, the internal auditor reviewed IT controls and cybersecurity (penetration testing) and presented reports to the Audit Committee post year end.

The key features of the financial controls of the Company include a comprehensive system of financial reporting, budgeting and forecasting, and clearly laid down accounting policies and procedures. The main elements of internal control currently include:

- **Operating Controls:** The identification and mitigation of major business risks on a daily basis is the responsibility of the Executive Directors and senior management. Each business function within the Group maintains controls and procedures, as directed by senior management, appropriate to its own business environment while conforming to the Company's standards and guidelines. These include procedures and guidelines to identify, evaluate the likelihood and mitigate all types of risks on an ongoing basis.
- **Information and Communication:** The Group's operating procedures include a comprehensive system for reporting financial and non-financial information to the Directors. Financial projections, including revenue and profit forecasts, are typically reported on a monthly basis to senior management compared with corresponding results for previous periods. The central process for evaluating and managing non-financial risk is primarily through meetings of Executive Directors and/or the Group Risk and Opportunity Manager with the business unit leaders.

- **Finance Management:** The finance department operates within procedures approved by the Directors and the Chief Financial Officer. Expenditures are tightly controlled with stringent approvals required based on amount. Duties such as legal, finance, sales and operations are also segregated to minimise risk.
- **Insurance:** Insurance coverage is provided externally and depends on the scale of the risk in question and the availability of coverage in the external market.

The process by which the Audit Committee has monitored and reviewed the effectiveness of the system of internal controls and risk management during the year has included:

- reviewing the Company's Risk and Opportunity Management Framework and the way it was activated during the year, the risks that were identified, quantitative assessment of the risks, details of the risks and mitigation measures;
- reviewing any control matters identified by Brightman Almagor Zohar & Co. and challenging management on the application of controls to gain assurance on their effectiveness; and
- reporting to, and updating, the Board on the risk and control within the Group.

The Audit Committee is satisfied that the Group's framework of internal control systems has continued to operate effectively throughout 2025.

External auditor and independence

Brightman Almagor Zohar & Co., a Firm in the Deloitte Global Network, serves as the Group's auditor. The Audit Committee as well as the Directors review and assess on an annual basis, the performance of the external auditors, their independence and the reasonableness of their audit fees as compared with peer tier 1 accountancy offices in Israel, and make recommendations to be brought forward to the shareholders' meeting as to the appointment, or reappointment, or replacement of the external auditors of the Group. While the Audit Committee as part of its activity reviews and monitors the external auditor's independence and objectivity, there is no requirement under Israeli law and regulations to have maximum terms for auditors. Rotation of external auditors is not accepted practice in the Israeli market and the Company is not subject to EU audit regulations

that relate to rotation of the external auditors. However, to facilitate auditor independence, based on the IESBA Code, the audit engagement partner must be rotated after no more than seven years of service in that role. The most recent audit partner rotation occurred in 2022. The Audit Committee has discussed with the external auditors their independence, and has received and reviewed written disclosures from the external auditors regarding independence.

Non-audit services

Non-audit work is generally put out to tender. In cases that are significant, the Company engages another independent firm of accountants to provide consulting work to avoid the possibility that the external auditors' objectivity and independence could be compromised; work is only carried out by the external auditors in cases where they are best suited to perform the work, for example, tax compliance. However, from time to time, the Company will engage the external auditors on matters relating to acquisition accounting and due diligence (the scope of which is limited), thus ensuring the continued objectivity and independence of the external auditors.

In order to safeguard the independence and objectivity of the external auditor, the Audit Committee reviews the nature and extent of the non-audit services supplied, and receives reports on the balance of audit to non-audit fees. For 2025, the external auditor provided \$91k of non-audit work (2024: \$34k). Fees paid to Brightman Almagor Zohar & Co. are set out in note 9 to the financial statements.

Prof. Varda Shalev

Audit Committee Chair

20 April 2026



Directors' Remuneration Report



Ayala Hakim

Remuneration Committee Chair

Remuneration Committee Report

Dear Shareholder

The Board is pleased to present the Directors' Remuneration Report for the year ended 31 December 2025, which sets out BATM's executive remuneration policy and details Directors' remuneration and benefits for the financial year under review.

The main purpose of the Remuneration Committee (the "Committee") is to design appropriate remuneration packages to attract, retain and motivate senior executives and managers of the experience and expertise required to run the Company successfully. The Committee reviews and considers the remuneration of, amongst others, the CEO, CFO, Executive and Non-Executive Directors and senior management.

The Committee ensures that a remuneration framework is established and implemented that addresses the need of the Company to attract, retain and motivate such executives and managers, while considering and managing business risks and ensuring the Company's remuneration policy facilitates, so far as possible, the Company's long-term strategy and performance and ensures its sustainable financial health.

The Committee ensures that the overall remuneration strategy adopted by the Company remains aligned with the interests of its shareholders. The Committee, when necessary, engages external executive remuneration advisers to give it guidance regarding the accepted levels of salary, bonuses and long-term incentives ("LTIs") payable by similar sized companies listed on the London Stock Exchange and the Tel Aviv Stock Exchange to its CEO, CFO and other senior executives and ensures that the level of remuneration offered to its senior executives is both fair and reasonable.

The Remuneration Committee's responsibilities

The Committee was established by the Board of Directors of the Company and operates in accordance with the functions set forth in the Israeli Companies Law, 1999 ("Israeli Companies Law") and UK corporate governance expectations. This is a separate independent Committee comprised of external independent directors who are appointed by the shareholders' meeting.

The Committee's responsibilities and duties are:

- (1) Recommending for approval to the Board the framework or broad policy for the remuneration of the Company's Chairman of the Board, CEO, Executive Directors, Non-executive Directors and other senior management and Office Holders (as defined in the Israeli Companies Law) ("Remuneration Policy");
- (2) Recommending appropriate remuneration packages and service contracts of the Executive Directors and Officers, reviewing the ongoing appropriateness and relevance of the Remuneration Policy, recommending to the Board updates of the Remuneration Policy, and monitoring its application;
- (3) Determining whether to approve remuneration of Office Holders;
- (4) Exempting the remuneration of a candidate for the role of CEO from the approval of the general meeting if the remuneration is according to the Remuneration Policy, the candidate is not related to a controlling shareholder (and if there is no controlling shareholder, to a substantial shareholder, the Chairman of the Board, the CEO or the CFO) and the Committee found that bringing the remuneration for the approval of the general meeting will result in failure of the attempted recruitment of the CEO candidate;
- (5) Recommending and determining the goals for all performance-related remuneration offered by the Company and approving the total annual payments made under such schemes;
- (6) Reviewing the design of all long-term incentive schemes, such as options and equity awards, and recommending these for approval by the Board and, if and when required by law, by the shareholders; and
- (7) Reviewing the CEO's compensation policies for Office Holders.

The Committee's terms of reference are available on the Company's website and are available in hard copy on request from the Company Secretary.

Key activities during the year

There were five meetings of the Committee during the year to 31 December 2025. The Committee undertook the following activities in this period:

- Determining the outcome of the 2024 annual bonus
- Setting the targets and measures for the 2025 annual bonus
- Approving and granting LTI awards to employees
- Approving the remuneration of a new Office Holder
- Approving vesting percentage, and allocation of shares following vesting, of Restricted Share Units
- Discussing the grant of an LTI to an Office Holder
- Approving updated remuneration of an Office Holder
- Setting the targets and measures for the 2026 annual bonus

Stakeholder views & engagement

At the Annual General Meeting ("AGM") in 2025, we proposed one remuneration-related resolution that passed with an approval rating of 98.02% (further detail is provided in the Annual Report on Remuneration section below). On behalf of the Committee, I thank shareholders for their support and look forward to receiving further support at this year's Annual General Meeting.

Ayala Hakim

Remuneration Committee Chair

20 April 2026

Directors' Remuneration Report (cont.)

Remuneration Policy

This Remuneration Policy sets out the remuneration policy of BATM Advanced Communications Ltd (hereinafter – the “Company”) for its Executive and Non-Executive Directors, and Office Holders (as that term is defined in section 1 of the Israeli Companies Law), which includes the Directors, CEO and other senior executives in the Company that report directly to the CEO of BATM.

The current Directors' and Officers' Remuneration Policy was approved by shareholders at the December 2024 Annual General Meeting and took effect from the date of approval. In accordance with Israeli law, a policy for a period of over three years requires approval by the Company's shareholders at a general meeting every three years.

This section summarises the key elements of the Remuneration Policy. The full Remuneration Policy was provided in full in the Company's annual report for the year ended 31 December 2024.

Directors' & Officers' Remuneration Policy table

The following table sets out the main components of the Remuneration Policy, together with further information on how these aspects of remuneration operate. The Committee has discretion to amend remuneration and benefits to the extent described in the table and the written sections that follow it.

Base Salary	
Purpose and link to strategy	<p>To provide competitive fixed remuneration.</p> <p>To attract and retain Executive Directors and Officers of superior calibre in order to deliver long-term business success.</p> <p>Reflects individual experience, achievements, expertise, education, skills, role and responsibility.</p> <p>The Committee's aim is to position salaries around the mid-market level of companies of a similar size, scale and complexity.</p>
Operation	<p>Normally reviewed annually by the Committee with increases typically effective from 1 January.</p> <p>Increases take into account:</p> <ul style="list-style-type: none"> • The executive's skills, experience, education, qualifications, achievements, expertise, role and responsibilities • Affordability • Pay increases for the workforce • Performance • External market trends • Internal differentials/relativities • The value of total remuneration • The Committee's judgement <p>Significant adjustments are infrequent and normally reserved for material changes in role, a significant increase in the size/complexity of the Group, or where an individual has been appointed on a low salary with an intention to bring them to market levels over time and subject to performance.</p> <p>Other factors which will be taken into account will include pay and conditions elsewhere in the Group, progression within the role, and competitive salary levels in UK premium-listed and Israeli publicly-listed companies of a broadly similar size and complexity.</p>
Maximum potential value	<p>Basic salary of Office Holders that report directly to the CEO will be capped at 80% of the CEO's basic salary.</p> <p>The normal approach will be to limit increases to the average level across the wider workforce, though increases above this level may be awarded subject to Committee discretion to take account of certain circumstances, such as those stated under 'Operation'.</p> <p>On recruitment or promotion, the Committee will consider previous remuneration and pay levels for comparable companies (for example, companies of a similar size and complexity, industry sector or location), when setting salary levels. This may lead to salary being set at a lower or higher level than for the previous incumbent.</p> <p>The Committee also takes into account the ratio between the total remuneration of the applicable Executive Director and/or Officer and the salary of all other employees in the Company, especially the ratio between the total remuneration and the median and average salary of all such other employees in the Company - this analysis and ratio will be calculated or evaluated on a per division basis and on a per country basis so as to ensure that the comparison is made on the same underlying parameters.</p>
Performance targets	<p>Although there are no formal performance conditions, any increase in base salary is only implemented after careful consideration of individual contribution and performance and having due regard to the factors set out in the 'Operation' row of this table.</p>

Directors' Remuneration Report (cont.)

Benefits	
Purpose and link to strategy	<p>To provide competitive fixed remuneration.</p> <p>To attract and retain Executive Directors and Officers of superior calibre in order to deliver long-term business success.</p>
Operation	<p>Executive Directors, Officers and all employees in Israel may be entitled to benefits such as a study fund / Further Education funds, expansion of mandatory benefits (pension and end-of-work compensation) beyond the salary levels on which they are mandatory or carry tax benefits, travel-related benefits including a car or car allowance, use of mobile phone and newspaper. Executives will be eligible for any other benefits which are introduced for the wider workforce on broadly similar terms.</p> <p>Any reasonable business-related expenses (and any tax thereon) can be reimbursed if determined to be a taxable benefit. The Company may also arrange for reasonable insurance cover for Executive Directors.</p> <p>Executive Directors and Officers may be eligible to participate in future all-employee share plan operated by the Company, on the same terms as other eligible employees.</p> <p>For external and internal appointments or relocations, the Company may pay certain relocation and/or incidental expenses as appropriate.</p>
Maximum potential value	<p>Study fund contributions are common in Israel and under this arrangement the employer deposits 7.5% of base salary to a study fund (payable to the employee with no tax after 6 years), and deducts 2.5% from the employee's base salary to be also deposited to this fund.</p> <p>It is not possible to calculate in advance the cost of some benefits, and therefore a maximum potential value is not pre-determined.</p>
Performance targets	Not applicable.

Pension	
Purpose and link to strategy	To reward sustained contributions by providing retirement benefits.
Operation	The Company funds contributions to an Executive Director or Officer's pension as appropriate through contribution to a pension fund.
Maximum potential value	<p>In line with all employees and in line with mandatory requirements in Israel, BATM contributes 6.5% of base salary towards pension and is obliged to deduct 6% of salary from the employee's base salary and deposit it into the pension fund.</p> <p>In addition, at the end of employment all Israeli employees (including Executive Directors and Officers) are entitled to end-of-employment compensation of 1 basic salary per every year of employment (1 month for every 12 months, or 8.333%). Israeli employers are bound to make on-going deposits of at least 6% of the employee's (including Executive Directors and Officers) salary to the pension fund for end-of-employment compensation.</p>
Performance targets	Not applicable.

Annual Bonus	
Purpose and link to strategy	<p>Rewards the achievement of annual financial and business targets aligned with the Group's KPIs.</p> <p>Deferred element encourages long-term considerations and discourages excessive risk taking.</p>
Operation	<p>Bonus is based on performance in the relevant financial year. Any payment is discretionary and will be subject to the achievement of performance targets.</p> <p>Bonus is normally paid in cash, except one-third of any bonus above 70% of annual base salary which is deferred into an award over Company shares for two years. In case of immediate tax obligations due to award of such shares, and subject to the provisions of the Company's Share Incentive Plan, the receiver of the shares will be allowed to exercise shares immediately to the extent needed to finance coverage of tax obligations.</p> <p>Bonuses are not contractual and are not eligible for inclusion in the calculation of pension arrangements.</p> <p>Recovery and withholding provisions apply in cases of specific circumstances.</p> <p>Dividends or dividend equivalents may accrue on deferred shares.</p>
Maximum potential value	<p>Capped at 125% of annual base salary.</p> <p>In the first full financial year of the policy only (being the year ending 31 December 2025), the bonus opportunity will be set at 100% of salary for the CEO and CFO.</p>
Performance targets	<p>The Committee sets performance measures and targets that are appropriately stretching each year, taking into account key strategic and financial priorities and ensuring there is an appropriate balance between incentivising Executive Directors and Officers to meet targets, while ensuring they do not drive unacceptable levels of risk or inappropriate behaviours.</p> <p>The Remuneration Committee will set bonus criteria at the start of the year which reflect the short term financial and strategic objectives of the Group.</p> <p>For directors and the CEO, the bonus will be based on performance and on measurable criteria; but bonus of up to 25% of annual salary can be based on strategic, non-measurable criteria and considering the director's / CEO's contribution to the Company.</p> <p>A graduated scale of targets is normally set for each financial measure, with no pay-out for performance below a threshold level of performance.</p> <p>The Committee has discretion to amend the overall bonus pay-out should the outcome not reflect the Committee's assessment of overall business and/or individual performance.</p>

Directors' Remuneration Report (cont.)

Long-Term Incentive Plan (LTIP)	
Purpose and link to strategy	Designed to align Executive Directors' and Officers' interests with those of shareholders and to incentivise the delivery of sustainable earnings growth and superior shareholder returns.
Operation	<p>Awards of conditional shares or option awards which normally vest over three years subject to the achievement of performance targets and/or continued service.</p> <p>For Executive Directors, an additional two-year holding period will apply after the end of the three-year vesting period, if so decided by the Committee. Sufficient awards may be sold during the holding period to satisfy any tax liabilities owed.</p> <p>Recovery and withholding provisions apply in cases of specific circumstances.</p> <p>Dividend equivalents may be paid for awards to the extent they vest.</p> <p>The Committee retains discretion to adjust vesting levels in exceptional circumstances, including but not limited to regard of the overall performance of the Company or the grantee's personal performance.</p> <p>The Committee also retains discretion to adjust provisions of LTIP regarding acceleration, change of ownership, restructuring and any other circumstances that justify adjustment of provisions, considering also the provisions of the Share Incentive Plan.</p> <p>Any options shall not be exercisable more than ten years after the date of grant.</p>
Maximum potential value	<p>Executive Directors and Officers may receive an award with a face value of up to 125% of basic salary per annum in any financial year.</p> <p>For the first award to be granted in 2025, awards to Executive Directors will be limited to 100% of salary.</p> <p>The Committee will consider the prevailing share price when deciding on the number of shares to be awarded as part of any LTIP grant.</p> <p>A 10% in 10 years' dilution limit governing the issue of new shares to satisfy all share scheme operated by the Company will apply.</p>
Performance targets	<p>Performance measures may include, and are not limited to, EPS, absolute or relative total shareholder return, other financial measures, strategic measures and/or ESG-related objectives.</p> <p>The Committee retains discretion to set alternative weightings or performance measures for awards over the life of the policy.</p> <p>For directors and the CEO, the LTIP will be based on performance in long-term view and on measurable criteria; but LTIP of up to 25% of annual salary can be based on strategic, non-measurable criteria and considering the director's / CEO's contribution to the Company.</p> <p>100% of awards vest for stretch performance, up to 25% of an award vests for threshold performance and no awards vest below this.</p> <p>Underpins may apply.</p>

Share Ownership Guidelines

Purpose and link to strategy	To increase alignment between Executive Directors and shareholders.
Operation	Nil or nominal cost options which have vested but are yet to be exercised and deferred bonus awards subject to a time condition only may be considered to count towards the in-employment shareholding on a notional post-tax basis.
Maximum potential value	<p>Executive Directors are expected to build up and maintain an in-employment shareholding worth 200% of salary.</p> <p>Executive Directors are normally expected to hold shares at a level equal to the lower of their shareholding at cessation and 200% of annual base salary for two years post-employment (excluding shares purchased with own funds and any shares from share plan awards made before the approval of the policy).</p>
Performance targets	Not applicable.

Non-executive and Non-External Directors' Salary and Benefits

Purpose and link to strategy	<p>Israeli publicly listed companies often have Directors that are both Non-executive and Non-External, such as the current Chairman. Due to their status and relationship to the Company, such Directors are distinguished from independent External Directors (see table below).</p> <p>Non-executive and Non-External Directors should be paid in line with the demands of the roles at a level that attracts high calibre individuals and reflects their experience and knowledge.</p>
Operation	<p>Non-executive and Non-External Directors may receive salary in cash or ordinary shares for their contribution and efforts for the Company. Salary is typically set by reference to a proportion of the salary for a full-time Executive Director role (reflecting the part-time nature of the role).</p> <p>In addition, the Non-executive and Non-External Director may receive modest benefits on the same basis as an Executive Director (as set out in the policy table above).</p> <p>There are currently no plans for Non-executive and Non-External Directors to participate in the variable remuneration plans offered by the Company to its Executive Directors and Officers. Any future participation by Non-executive and Non-External Directors in the Company's variable remuneration plans would be subject to prior approval by the Company's shareholders.</p>
Maximum potential value	<p>No prescribed maximum or maximum increase.</p> <p>Salary is normally reviewed annually taking into account factors such as the time commitment and contribution of the role and market levels in companies of comparable size and complexity.</p> <p>Any increases will be informed by taking into account internal benchmarks such as the salary increase for the general workforce and will have due regard to the same factors that apply to Executive Directors.</p>
Performance targets	Not applicable.

Directors' Remuneration Report (cont.)

External Directors' Fees and Benefits	
Purpose and link to strategy	<p>As an Israeli publicly listed company, BATM's Board must include at all times at least two External Directors (as defined in the Israeli Companies Law).</p> <p>Fee of External Directors in Israel is set by regulation.</p> <p>In addition to External Directors, the Israeli Companies Law defines an Independent Director, which receives the same remuneration as an External Director. Currently there are two such Independent Directors in the Company.</p>
Operation	<p>External Directors remuneration is prescribed in the Israeli Companies Regulations (Rules Regarding Compensation and Expense Reimbursement of External Directors) 2000 (the "Israeli Compensation Regulations"), which includes an annual fixed pay and a per-meeting participation fee, both set according to the size of the Company and the expertise of the director.</p> <p>In addition, the Company may reimburse said directors for their reasonable expenses incurred in connection with attending meetings of the Board of Directors and of any Committees of the Board, all in accordance with the Israeli Compensation Regulations.</p> <p>The External Directors are not eligible to participate in the variable remuneration plans offered by the Company to its Executive Directors and Officers.</p> <p>The Israeli Companies Law states that a director defined as Independent Director will receive remuneration according to the same rules as an External Director.</p>
Maximum potential value	Fees are paid according to strict rules set by the Israeli authorities.
Performance targets	Not applicable.

Selection of Performance Measures and Targets

Annual bonus

The annual bonus arrangements are focused on the achievement of the Company's short- and medium-term financial objectives, with financial measures selected to closely align the performance of the Executive Director or Officer with the strategy of the business and with shareholder value creation. Where non-financial objectives are set, these are chosen to support the delivery of strategic milestones and which link to those KPIs of most relevance to each Director or Officer's individual responsibilities.

Details of the measures to be used for the annual bonus will be determined at the start of the financial year and will be disclosed in the next year's remuneration report.

Long-Term Incentive Plan

The aim of the LTIP is to motivate Executive Directors and other senior executives to achieve performance superior to the Company's peers and to maintain and increase earnings levels whilst at the same time ensuring that it is not at the expense of longer-term shareholder returns.

The Committee will review the choice of performance measures and the appropriateness of the performance targets prior to each LTIP grant.

Measurable targets

Measurable targets / performance metrics for the annual bonus and / or for LTIP schemes can involve a number of BATM's KPIs and may include any number of the following:

- Work plan targets
- Budget targets
- Accomplishment of specific projects

- Meeting pre-defined goals of –
 - EBITDA
 - Revenue
 - Profit
 - Operating profit
 - Cash from operating activities
 - Cash flow
 - Share price
 - Earnings per share
 - Return on invested capital
 - Return on capital employed
 - Total shareholder return
 - Absolute total shareholder return
 - Relative total shareholder return
- the Committee also retains the ability, within the policy, if events occur that cause it to determine that the conditions set in relation to an annual bonus plan or a granted LTIP award are no longer appropriate or unable to fulfil their original intended purpose, to adjust targets and/or set different measures or weightings for the applicable annual bonus plan and LTIP awards with, in the case of LTIP awards held by Executive Directors, adjusted performance conditions being not materially less difficult to satisfy than the original conditions would have been but for the relevant event(s)
- the ability to override formulaic outcomes in line with this Policy

All assessments of performance are ultimately subject to the Committee's judgement and discretion is retained to adjust payments in appropriate circumstances as outlined in this Policy. Any discretion exercised (and the rationale) will be disclosed in the relevant Directors' & Officers' remuneration report detailing the payment outcome.

With regards to section 1B3 of the Israeli Companies Regulations (Reliefs in Related Party Transactions), 2000, immaterial changes to the remuneration of Office Holders (defined as up to 10% of the total annual cost of the remuneration of that Office Holder) that report directly to the CEO, as stated in section 272(c) to the Israeli Companies Law, will be approved by the CEO within the boundaries set in the Remuneration Policy.

Flexibility, Discretion and Judgement

The Committee operates the annual bonus and LTIP according to the rules of each respective plan which, consistent with market practice, include discretion in a number of respects in relation to the operation of each plan. Discretions include:

- who participates in the plan, the quantum of an award and/or payment and the timing of awards and/or payments
- determining the extent of vesting
- treatment of awards and/or payments on a change of control or restructuring of the Group
- whether an Executive Director or an Officer is a good/bad leaver for incentive plan purposes and whether the proportion of awards that vest do so at the time of leaving or at the normal vesting date(s)
- how and whether an award may be adjusted in certain circumstances (e.g. for a rights issue, a corporate restructuring or for special dividends)
- what the weighting, measures and targets should be for the annual bonus plan and LTIP awards from year to year

Directors' Remuneration Report (cont.)

Annual Report on Remuneration

This section of the Directors' Remuneration Report provides details of the remuneration earned by the Directors in the year ended 31 December 2025 and how the Remuneration Policy will operate for the year ending 31 December 2026.

Remuneration Committee

Roles and responsibilities

The Remuneration Committee works within its terms of reference, and in accordance with the functions set forth in Israeli Companies Law, to make recommendations to the Board of Directors of the Company and to decide whether to approve certain transactions and whether to exempt certain transactions from approval. The Remuneration Committee's full terms of reference are available on the Company's website.

Remuneration Committee members and meetings

The Remuneration Committee consists of all the External Directors and one Independent Director (as these terms are defined in the Israeli Companies Law), being:

- Ayala Hakim (Chair) (appointed as an External Director on 10 December 2025 and became Remuneration Committee Chair on 25 December 2025)
- Prof. Varda Shalev (External Director)
- Dr. Avigdor Shafferman (Independent Director)

During the year under review, Harel Locker was also a member of the Remuneration Committee until his retirement from the Board on 25 September 2025. Prof. Varda Shalev was Chair of the Remuneration Committee for the year under review until the role was assumed by Ayala Hakim.

The Remuneration Committee receives advice from several sources, namely:

- The other Directors of the Board, who attend the Remuneration Committee meetings when specifically invited by the Chair of the Committee in order to provide relevant information to the Committee.
- As and when the Committee deems it necessary, the Committee is provided advice from independent consultants.

Key activities during the year

The Committee held five meetings during the year to 31 December 2025.

As noted in the Remuneration Committee Report, the key activities undertaken during the year included determining the outcomes and setting the targets for annual bonus; approving the remuneration of Office Holders; and approving the granting and allocation of LTIs and RSUs to employees and Office Holders.

Single total figure of remuneration

The following table sets out the single total remuneration figures for each director for 2025 and the prior year. The figures are translated into US dollar, being the presentation currency of the Group's consolidated financial statements and therefore also reflect movement in the NIS:USD exchange rate.

	Year	Salary/Fees \$'000	Performance Bonus \$'000	Total Remuneration \$'000
Executive Directors				
Moti Nagar, CEO ⁽¹⁾	2025	730	376	1,106
	2024	677	-	677
Lior Miles, CFO ⁽²⁾	2025	137	56	193
	2024	-	-	-
Ran Noy ⁽³⁾	2025	207	-	207
	2024	219	-	219
Non-executive Directors				
Gil Sharon ⁽⁴⁾	2025	6	-	6
	2024	-	-	-
Gideon Chitayat ⁽⁵⁾	2025	99	-	99
	2024	100	-	100
Varda Shalev	2025	59	-	59
	2024	45	-	45
Avigdor Shafferman	2025	60	-	60
	2024	45	-	45
Shmuel Ben Zvi ⁽⁶⁾	2025	58	-	58
	2024	3	-	3
Ayala Hakim ⁽⁷⁾	2025	6	-	6
	2024	-	-	-
Zvi Marom ⁽⁸⁾	2025	49	-	49
	2024	45	-	45
Harel Locker ⁽⁹⁾	2025	43	-	43
	2024	45	-	45

1. Moti Nagar's salary includes social and pension benefits as required by Israeli law for all employees. His salary is paid in New Israeli Shekels (NIS) and was unchanged in 2025 at NIS 1.8m (2024: NIS 1.8m): the reported difference reflects movement in the NIS:USD exchange rate.

2. Lior Miles became CFO on 22 June 2025 and was appointed to the Board on 10 December 2025. His salary includes social and pension benefits as required by Israeli law for all employees.

3. Ran Noy resigned as CFO and an Executive Director on 21 June 2025. His salary included social and pension benefits as required by Israeli law for all employees.

4. Appointed to the Board on 10 December 2025 and assumed the role of Chairman on 25 December 2025.

5. Retired from the Board, post year end, on 1 January 2026 having stepped down as Chairman on 25 December 2025.

6. Appointed to the Board on 19 December 2024.

7. Appointed to the Board on 10 December 2025.

8. Resigned from the Board on 10 December 2025.

9. Retired from the Board on 25 September 2025.

As at 31 December 2025, the total liability for payment related to salary/fees for the Executive Directors was \$91 thousand (31 December 2024: \$72 thousand), which was paid in January 2026 (2024 liability was paid in January 2025).

Directors' Remuneration Report (cont.)

Non-executive Directors

In determining the remuneration to its "external directors" and "independent directors" (as defined under Israeli law), which during 2025 included Prof. Varda Shalev, Dr. Avigdor Shafferman, Ayala Hakim and Harel Locker, the Group was required to comply with Israeli law that formulates the kind and amounts of remuneration and expenses that an Israeli public company may pay its external and independent directors. The applicable Israeli statute is the Israeli Companies Regulations (Rules Regarding Compensation and Expense Reimbursement of External Directors) 2000 (the "Compensation Regulations"), which prescribes the level of remuneration that a publicly listed company may pay its external directors, and section 249C of the Israeli Companies Law, which states that the rules regarding remuneration of external directors will apply also for independent directors. Cash remuneration payable to these directors is comprised of two fees: (i) an annual fixed fee; and (ii) a per-meeting participation fee. The figures set forth in the Compensation Regulations for these elements are based on the size of the company calculated by the equity of the relevant listed company as recorded in its last audited financial statements. In compliance with the Compensation Regulations, the Company does not pay any additional amounts to the external directors. The Compensation Regulations did not apply to the Chairman, Dr. Shmuel Ben Zvi, Gil Sharon or Dr. Zvi Marom who are not external directors or independent directors in terms of Israeli law, however the Board resolved that Dr. Ben Zvi, Dr. Marom and Mr. Sharon (prior to his appointment as Chairman) would be remunerated on the same basis as the directors to whom the regulations apply.

2025 annual bonus outcome

The maximum annual bonus opportunity for Mr. Moti Nagar, CEO, and Mr. Lior Miles, CFO, for 2025 was 67% and 25% of annual base salary, respectively. The annual bonus is based on a mix of quantitative financial criteria (75% of maximum bonus opportunity) and qualitative personal and operational criteria (25% of maximum bonus opportunity) as described below.

Moti Nagar, CEO

The measurable targets that the Board considered relevant to annual bonus are EBITDA and revenue. For 2025, the non-measurable criteria for Mr. Nagar included strategic execution, implementing effective sales strategies and focusing on customer retention, and strategic optimisation of resources, particularly personnel. Mr. Nagar was awarded a bonus of \$376k for 2025, representing 100% of his maximum bonus opportunity.

Lior Miles, CFO

The measurable targets that the Board considered relevant to annual bonus are EBITDA and revenue. For 2025, the non-measurable criteria for Mr. Miles included ensuring a smooth transition of the CFO role and executing the divestment of the subsidiaries, including structuring the sale of A.M.S 2000 Trading Impex SRL in a tax-efficient manner and to maximise net proceeds for the Group. Mr. Miles was awarded a bonus of \$56k for 2025, representing 100% of his maximum bonus opportunity.

Long-term incentive awards granted in 2025

No long-term incentive awards were granted to directors during 2025.

Share interests

	Shares owned outright (31/12/25)	Shares owned outright (31/12/24)	Awards unvested and subject to performance conditions as at 31/12/25	Options unvested and not subject to performance conditions as at 31/12/25	Options vested but not exercised as at 31/12/25	Shareholding as a percentage of salary/ service fee*
Executive Directors						
Moti Nagar	-	-	-	5,477,979	10,955,958	-%
Lior Miles	-	-	-	2,080,441**	-	-%
Non-executive Directors						
Gil Sharon	-	-	-	-	-	-%
Gideon Chitayat***	3,159,000	3,159,000	-	-	1,229,369	692%
Varda Shalev	-	-	-	-	-	-%
Avigdor Shafferman	-	-	-	-	-	-%
Shmuel Ben Zvi	-	-	-	-	-	-%
Ayala Hakim	-	-	-	-	-	-%

* According to the share price on the LSE on 31 December 2025 of £0.16125 and the currency rate on 31 December 2025 of £0.743467 per \$1.00

** Granted prior to his appointment as a Director

*** Dr. Gideon Chitayat retired as a Director on 1 January 2026. His options expired on 1 April 2026

Moti Nagar's vested options have an exercise price of £0.2549.

Directors' Remuneration Report (cont.)

Ratio of CEO pay to average full-time employee

The ratio of CEO base pay to average full-time employee base pay during 2025 for continuing operations was 7:1 (2024: 7:1) for employees of Israeli companies in the Group and 21:1 (2024: 22:1) for the whole Group. The details of CEO pay can be found on page 55. Average full-time employee pay (excluding share-based payments) for the whole Group, including employees being paid under service contracts, in 2025 was \$35.0k (2024: \$31.5k). (Note 11 to the financial

statements – 'Staff costs' – does not include employees paid under service contract: this payment is reflected within general & administrative, research & development and sales & marketing expenses and cost of goods.)

Percentage change in directors' remuneration

The table below shows the percentage change in each directors' remuneration (on an actual currency basis) over a rolling five-year period.

	Salary / Fee					Benefits					Annual Bonus				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
Executive Directors															
Moti Nagar	0%	0%	150% ⁽¹⁾	0%	0%	0%	0%	106% ⁽¹⁾	0%	0%	-%	(100)%	-% ⁽²⁾	(100)% ⁽²⁾	0%
Lior Miles ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-executive Directors⁽⁴⁾															
Gil Sharon ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gideon Chitayat ⁽⁶⁾	(1)%	0%	85% ⁽⁷⁾	0%	0%	-	-	-	-	-	-	-	-	-	-
Varda Shalev	22%	(1)%	(7)%	(10)%	(4)%	-	-	-	-	-	-	-	-	-	-
Avigdor Shafferman	24%	(1)%	34% ⁽⁸⁾	-	-	-	-	-	-	-	-	-	-	-	-
Shmuel Ben Zvi	2,037% ⁽⁹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ayala Hakim ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Moti Nagar became CEO on 1 January 2023, having previously been CFO since 2015. His remuneration as CEO was as approved by shareholders at the 2022 AGM.

2. Moti Nagar waived his bonus payment for 2022.

3. Lior Miles became CFO on 22 June 2025 and was appointed to the Board on 10 December 2025.

4. The number of meetings attended by each director may change from one year to another.

5. Appointed to the Board on 10 December 2025.

6. Dr. Gideon Chitayat retired from the Board, post year end, on 1 January 2026 having stepped down as Chairman on 25 December 2025.

7. Dr. Gideon Chitayat's fee was increased from 1 January 2023 as approved by shareholders at the AGM 2022.

8. Appointed to the Board on 12 April 2022.

9. Appointed to the Board on 19 December 2024.

Payments for loss of office and/or payments to former directors

In accordance with his employment contract, Ran Noy received a payment equal to two months' base salaries at the end of his employment. No other payments were made for loss of office or to former directors during the year.

Statement of shareholder voting

At the AGM that took place on 10 December 2025, there was one remuneration-related resolution:

Resolution	Votes for (including discretionary)	% for*	Votes against (excluding withheld)	% against*	Withheld	Total votes cast
Approval of the report of the Remuneration Committee	275,518,350	98.02	5,563,197	1.98	0	281,081,547

* Excludes withheld votes

Implementation of Policy for FY26

Component of Pay	Implementation for FY26
Base salaries	CEO: NIS 1,800,000 CFO: NIS 720,000
Benefits and pension	In line with the Directors' Remuneration Policy and past practice, the Company contributes towards pension in line with mandatory requirements in Israel. No changes to benefit provisions.
Annual bonus	The CEO's and CFO's bonus opportunity will be 67% and 25% of base salary respectively. The targets are currently commercially sensitive and will be reported in next year's annual report.
LTIP	None
NED fees	The Chairman and NED fees for FY26 are as follows: <ul style="list-style-type: none"> Chairman fee: \$100,000 Non-executive and External Director base fee*: NIS 95,730 (\$30,009**) Non-executive and External Director per-meeting fee*: NIS 5,035 (\$1,578**)

* Linked to the consumer price index in Israel

** According to the 31 December 2025 currency rate of NIS 3.19 per \$1.00

On behalf of the Board.

Ayala Hakim

Remuneration Committee Chair

20 April 2026





Gil Sharon

Chairman

Directors' Report

Principal activities

BATM's focus is on the development, production and marketing of networking and cybersecurity technologies, products and associated services. Networking comprises data communication products, namely high-performance connectivity solutions for the network edge, including the innovative Edgility open edge software platform that enables the deployment and lifecycle management of apps, 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. Cybersecurity includes integrated hardware and software solutions for network encryption.

The Group's non-core activities comprise the development and sale of in vitro medical diagnostic reagents and instruments (this activity was classified as core during the year under review and has been reclassified as non-core post year-end) and the distribution of third-party pharmaceutical and environmental monitoring products.

In addition, in 2025, the Group's activities in continuing operations included the distribution of medical diagnostics products and the administering of diagnostic tests. These activities were disposed of during the year.

Financial performance

The financial performance of the Group for the year ended 31 December 2025 is detailed in the Chief Financial Officer's Review on pages 13 to 15 and in the consolidated financial statements and notes to the consolidated financial statements on pages 69 to 112, which are incorporated in this Directors' Report by reference.

Returns to shareholders

While recognising the importance of returns to shareholders, the Board believes it is in the best interests of the Company and of shareholders as a whole not to declare a dividend for 2025 in order to maximise the resources available to the Group to execute on its growth strategy. In particular, and as previously stated, the Group may add capability to its core businesses through M&A. The Board continues to keep its dividend policy under constant review and to assess all options for generating returns for shareholders.

Business and strategic review

The review of the Group's business operations, including its strategy, key performance indicators and principal risks and uncertainties, are set out in the Strategic Report section on pages 4 to 27 and are incorporated in this Directors' Report by reference.

Directors

The Directors who served for the year ended 31 December 2025 and are currently serving (unless otherwise stated) are as follows:

- Gil Sharon, Non-executive Chairman (appointed as a Director on 10 December 2025 and assumed the role of Chairman on 25 December 2025)
- Moti Nagar, CPA, Executive Director and Chief Executive Officer
- Lior Miles, CPA, Executive Director and Chief Financial Officer (appointed as CFO on 22 June 2025 and as a Director on 10 December 2025)
- Prof. Varda Shalev, Non-executive External Director and Senior Independent Director
- Dr. Avigdor Shafferman, Non-executive Director
- Dr. Shmuel Ben Zvi, Non-executive Director
- Ayala Hakim, Non-executive External Director (appointed 10 December 2025)
- Dr. Gideon Chitayat, Non-executive Chairman (retired as Chairman on 25 December 2025 and as a Director on 1 January 2026)
- Dr. Zvi Marom, Non-executive Director (resigned effective 10 December 2025)
- Ran Noy, Executive Director and Chief Financial Officer (resigned effective 21 June 2025)
- Harel Locker, Non-executive External Director (completed his final three-year term as an External Director on 25 September 2025)

Corporate governance statement

The information that fulfils the requirement of the corporate governance statement in accordance with Rule 7.2 of the Financial Conduct Authority's Disclosure and Transparency Rules can be found in this Directors' Report and in the Corporate Governance information on pages 28 to 63, which is incorporated in this Directors' Report by reference.

Directors' remuneration and interests

The Directors' remuneration and interests are set out in the Directors' Remuneration Report on pages 44 to 63.

Rules about appointment and replacement of Directors

Pursuant to the Company's articles of association and Israeli Companies Law, Directors are elected at an annual general meeting by the vote of the holders of a majority of the voting power represented at such meeting in person or by proxy and voting on the election of Directors. Appointments to the Board are subject to a formal, rigorous and transparent procedure after the Company's Nomination Committee has considered each nominee and the Company gives full and transparent information and background to the shareholders on each candidate that it wishes to propose for election and/or re-election to the Board. Each Director (except for the External Directors) shall serve until the next annual general meeting following the annual general meeting at which such Director was appointed, or their earlier removal. The holders of a majority of the voting power represented at a general meeting and voting thereon shall be entitled to remove any Director(s) from office, to elect Directors in place of the Directors so removed or to fill any vacancy, however created, in the Board of Directors by way of ordinary resolution. Such vacancy may also be temporarily filled by the continuing Directors, and any Director so appointed shall hold office until the next annual general meeting and is eligible for reappointment at that meeting. "External" Directors, as defined by Israeli Companies Law, are Non-executive Directors that are appointed and elected for a mandatory term of three years, which is renewable for no more than two further terms of three years each. The appointment of the External Directors must be approved by the shareholders in general meeting. The Israeli Companies Law defines the procedures and conditions for election and re-election of External Non-executive Directors.

Directors' Report (cont.)

Apart from the authority of the general meeting to remove a Director from office, subject to giving such Director a reasonable opportunity to present their position to the general meeting, under the Company's articles, the office of a Director shall be vacated ipso facto, upon their death, or if the Director is found to be of unsound mind, or becomes bankrupt or if they become prohibited by law from being a Director in a public company.

The Chairman of the Board, Mr. Gil Sharon, and the CFO, Mr. Lior Miles, were elected and the CEO, Mr. Moti Nagar, and Non-executive Directors Dr. Avigdor Shafferman and Dr. Shmuel Ben Zvi, were re-elected at the Annual General Meeting ("AGM") of 10 December 2025 until the following AGM. In addition, Mrs. Ayala Hakim was elected at the AGM as a Non-executive External Director for her first three-year term. Prof. Varda Shalev is currently serving her third three-year term as a Non-executive External Director. Their biographies appear on pages 28 to 31 above.

Amendment of articles

Under the Israeli Companies Law, a company may amend its articles by a simple majority of the shareholders at a general meeting. According to the Company's articles of association, any proposed amendments to the articles regarding modification of rights attached to shares of the Company and/or dividing the share capital into various classes of shares requires the approval of 75% of the votes cast at a general meeting of shareholders.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company and the Group will be able to operate within the level of available facilities and cash for the foreseeable future. Accordingly, the Company continues to prepare its financial statements according to the going concern basis.

Statement of Directors' responsibilities

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 Company in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Israeli company law holds the Directors responsible for preparing such financial statements and requires the Directors to approve them.

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 that 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 that comply with the U.K. 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.

The Directors' Report has been brought for review to the Board and has been approved in its present form.

The Directors' Report is signed on behalf of the Board by:

Gil Sharon

Chairman

20 April 2026



Consolidated Financial Statements

for the year ended
31 December 2025 



Independent Auditor's Report to the Shareholders of BATM Advanced Communications Ltd.

Neve Ne'eman Ind. Area
4, Ha'harash Street, P.O.B. 7318
4524075 Hod Hasharon, Israel

Opinion

We have audited the consolidated financial statements of BATM Advanced Communications Ltd. and its subsidiaries (the Group), set out on pages 69 to 111, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
<p>Disposal of subsidiary</p> <p>As detailed in Notes 33 and 37, on 5 October 2025 the Group signed an agreement to sell its entire shareholding in the Romanian company A.M.S. 2000 Trading Impex SRL (“AMS”) to Dr. Zvi Marom, a director, former CEO, and shareholder who held 22.2% of the issued share capital of BATM, in exchange for Dr. Marom’s entire shareholding in BATM, which consisted of 96,794,500 shares of BATM. Dr. Marom stepped down from the Board on 10 December 2025 and ceased to be a shareholder of BATM following the closing of the transaction which occurred on 31 December 2025. The Group recognized a gain of \$14.1m from the sale of AMS.</p> <p>We considered the disposal of AMS to be a key audit matter due to the nature of the transaction, under which the Group transferred its entire shareholding in AMS in exchange for Dr. Zvi Marom’s entire shareholding in BATM. The transaction was with a related party, Dr. Zvi Marom, who was a director, former Chief Executive Officer and significant shareholder of the Company, and accordingly required heightened audit attention.</p> <p>In addition, the Group recognized a gain on disposal of \$14.1 million, which was material to the financial statements. The accounting for the transaction required significant judgment, particularly in respect of the timing of recognition, the consideration received, the calculation of the gain recognized on disposal and evaluating the appropriateness of the related party disclosures in the financial statements.</p>	<p>We performed the following audit procedures on the disposal of AMS and on management’s calculation of the transaction and the gain recognized from this disposal. Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the design and implementation of controls over the approval of the related party transaction; • Reviewing the minutes of shareholders’ meetings, Board of Directors’ meetings and Audit Committee meetings; • Evaluating the underlying transaction agreement and related documentation to assess the date on which control over AMS was lost and the consideration received; • Involving Deloitte’s professional practice specialists to assist in evaluating the appropriateness of the accounting treatment applied to the transaction; • Using our internal tax specialists to assess the reasonableness of management’s determination of the related current tax effects, including the application of relevant tax laws and regulations, and testing the key data and assumptions used in determining the amount recognised in the financial statements; • Recalculating the gain recognised on loss of control; • Evaluating whether the related disclosures in the financial statements were adequate and appropriate.

Independent Auditors' Report (cont.)



Other information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Deloitte.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

The engagement partner on the audit resulting in this independent auditor's report is Elad Cazaz.

**Brightman Almagor Zohar and Co.,
Certified Public Accountants
A Firm in the Deloitte Global Network
1 Azrieli Center, Tel Aviv
Israel**

20 April 2026



Consolidated Statements of Profit or Loss

for the year ended 31 December 2025

Continuing operations

	Note	2025 US\$'000	2024 US\$'000
Revenues	5, 6	123,198	117,336
Cost of revenues	7	83,134	80,536
Gross profit		40,064	36,800
Operating expenses			
Sales and marketing expenses	8	20,510	19,582
General and administrative expenses	9	13,539	12,790
Research and development expenses	10	4,836	4,636
Other operating (income)/expenses	12	(12,298)	4,453
Total operating expenses		26,587	41,461
Operating profit/(loss)		13,477	(4,661)
Finance income	13	757	665
Finance expenses	14	(1,866)	(1,387)
Profit/(loss) before tax		12,368	(5,383)
Income tax expenses	15	(6,192)	(1,728)
Profit/(loss) for the year before share of loss of a joint venture and associated companies		6,176	(7,111)
Share of loss of a joint venture and associated companies	28	17,223	345
Share of loss of financial balances of a joint venture and associated companies		1,704	-
Loss for the year from continuing operations		(12,751)	(7,456)
Loss for the year from discontinued operations	20	(6,150)	(14,798)
Loss for the year		(18,901)	(22,254)
Attributable to:			
Non-controlling interests		(566)	42
Owners of the Company		(18,335)	(22,296)
Earnings/(loss) per share (in cents):			
Basic and diluted from continuing operations	16	(2.79)	(1.72)
Basic and diluted from discontinued operations	16	(1.41)	(3.39)
Basic and diluted	16	(4.20)	(5.11)

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Comprehensive Income

for the year ended 31 December 2025

	2025 US\$'000	2024 US\$'000
Loss for the year	(18,901)	(22,254)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	5,603	(5,043)
Disposal of a foreign operation	5,321	-
Items that will not be reclassified subsequently to profit or loss:		
Re-measurement of defined benefit obligation	25	19
Total other comprehensive income/(loss) for the year	10,949	(5,024)
Total comprehensive loss for the year	(7,952)	(27,278)
Attributable to:		
Owners of the Company from continuing operations	(5,417)	(11,366)
Owners of the Company from discontinued operations	(2,161)	(15,739)
Non-controlling interests	(374)	(173)
	(7,952)	(27,278)

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Financial Position

for the year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
Assets			
Current assets			
Cash and cash equivalents		22,859	25,898
Trade and other receivables	18	28,836	29,614
Short-term investment in deposits and other securities	17	532	5,672
Inventories	19	28,567	32,710
Disposal groups Held for Sale	21	-	4,660
		80,794	98,554
Non-current assets			
Property, plant and equipment	22	8,423	12,016
Investment property	23	604	548
Right-of-use assets	24	1,461	4,178
Goodwill	25	3,059	3,344
Intangible assets	26	10,176	8,004
Investment in joint venture and associate companies	28	4,032	17,802
Investments carried at fair value		1,585	1,220
Deferred tax assets	29	3,694	3,498
		33,034	50,610
Total assets		113,828	149,164
Equity and liabilities			
Current liabilities			
Short-term bank credit	30	8,514	4,261
Trade and other payables	30	28,842	36,691
Current maturities of lease liabilities	30	999	2,032
Tax liabilities		5,285	619
Liabilities associated with disposal groups Held for Sale	21	-	2,978
		43,640	46,581
Non-concurrent liabilities			
Long-term bank credit	30	182	-
Long-term liabilities	30	4,408	6,588
Long-term lease liabilities	30	662	2,358
Retirement benefit obligation	36	824	655
		6,076	9,601
Total liabilities		49,716	56,182
Equity			
Share capital	31	1,320	1,320
Share premium account		430,206	429,598
Reserves		(24,250)	(31,073)
Company's shares held by a subsidiary of the Group		(20,994)	-
Reserves associated with disposal groups Held for Sale		-	(3,620)
Accumulated deficit		(320,715)	(302,162)
Equity attributable to the:			
Owners of the Company		65,567	94,063
Non-controlling interests		(1,455)	(1,081)
Total equity		64,112	92,982
Total equity and liabilities		113,828	149,164

The financial statements were approved by the board of directors and authorised on 20 April 2026. They were signed on its behalf by: **M. Nagar, CEO** **L. Miles, CFO**

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

	Share Capital	Share Premium Account	Translation Reserve	Other Reserve	Company's Shares held by a Subsidiary of the Group	Other Comprehensive Income attributable to Disposal Groups	Accumulated Deficit	Attributable to Owners of the Company	Non-Controlling Interests	Total Equity
US\$ in thousands										
Balance as at 1 January 2024	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)
Total comprehensive loss for the year	-	-	(4,828)	-	-	-	(22,277)	(27,105)	(173)	(27,278)
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)	-	-	-	-
Balance as at 31 December 2024	1,320	429,598	(24,300)	(6,773)	-	(3,620)	(302,162)	94,063	(1,081)	92,982
Balance as at 1 January 2025	1,320	429,598	(24,300)	(6,773)	-	(3,620)	(302,162)	94,063	(1,081)	92,982
Loss for the year	-	-	-	-	-	-	(18,335)	(18,335)	(566)	(18,901)
Re-measurement of defined benefit obligation	-	-	-	-	-	-	25	25	-	25
Exchange differences on translating foreign operations	-	-	7,112	-	-	3,620	-	10,732	192	10,924
Total comprehensive loss for the year	-	-	7,112	-	-	3,620	(18,310)	(7,578)	(374)	(7,952)
Dividend to non-controlling interests holding put option	-	-	-	-	-	-	(243)	(243)	-	(243)
Recognition of share-based payments	-	608	-	-	-	-	-	608	-	608
Company's shares held by a subsidiary of the Group	-	-	-	-	(20,994)	-	-	(20,994)	-	(20,994)
Capital reserve transactions with non-controlling interests	-	-	-	(289)	-	-	-	(289)	947	658
Disposal of subsidiary	-	-	-	-	-	-	-	-	(947)	(947)
Balance as at 31 December 2025	1,320	430,206	(17,188)	(7,062)	(20,994)	-	(320,715)	65,567	(1,455)	64,112

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Cash Flow

for the year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
Net cash (used in)/from continuing operating activities	32	(3,122)	153
Net cash used in discontinued operating activities		(3,843)	(1,806)
Investing activities			
Purchases of property, plant and equipment		(1,868)	(700)
Increase of intangible assets		(2,414)	(2,707)
Investment in joint venture and associated companies		(1,072)	(1,378)
Purchases of deposits and financial assets		(5,132)	(8,744)
Proceeds on disposal of property, plant and equipment		200	791
Proceeds on disposal of operation, net (see note 33)		532	-
Proceeds on disposal of deposits and securities		10,587	11,526
Net cash from/(used in) investing activities – Continuing Operations		833	(1,212)
Net cash from/(used in) investing activities – Discontinued Operations		240	(4)
Financing activities			
Lease payment	30	(2,154)	(2,098)
Bank loan repayment	30	(2,895)	(2,458)
Bank loan received	30	6,928	2,359
Dividend paid to non-controlling interests holding put option		(243)	(118)
Net cash from/(used in) financing activities – Continuing Operations		1,636	(2,315)
Net cash used in financing activities – Discontinued Operations		(81)	(297)
Net decrease in cash and cash equivalents		(4,337)	(5,480)
Cash and cash equivalents at the beginning of the year		25,898	32,339
Effects of exchange rate changes on the balance of cash held in foreign currencies		1,298	(961)
Cash and cash equivalents at the end of the year		22,859	25,898

The accompanying notes are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

1 General information

BATM Advanced Communications Ltd. ("the Company") is a company incorporated in Israel under the Israeli Companies Law. The address of the registered office is POB 7318, Nave Ne'eman Ind. Area 4, Ha'harash Street, 4524075 Hod Hasharon, Israel. The Company and its subsidiaries ("the Group") is engaged in the development, production and supply of real-time technologies and associated services in three core application areas: Networks, Cyber and Diagnostics. In addition, the Group's non-core activities comprised the production and supply of pharmaceutical applications and the distribution of third-party pharmaceutical and environmental monitoring products*. BATM has offices in the United States, Israel and Europe.

* See note 21 in respect of disposal groups held for sale

2 New and revised International Financial Reporting Standards (IFRS Accounting Standards)

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss.
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements.
- Improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods.

3 Significant accounting policies

IFRS® Accounting Standards

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB).

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Regional conflict

Since October 2023, Israel has been involved in an ongoing armed conflict and continued rocket fire following a large-scale attack by Hamas, and which evolved into a broader regional confrontation, with additional hostilities involving Hezbollah in Lebanon, armed groups operating from Syria and Houthi forces in Yemen.

During 2025, tensions further escalated, including a period of direct confrontation between Israel and Iran involving missile launches, cyber incidents and disruptions to air traffic. On 28 February 2026, coordinated military actions by the United States and Israel targeted certain Iranian military infrastructure. Iran subsequently responded with missile and drone attacks directed at Israel, U.S. assets in the region and additional locations across the Middle East.

Since then, hostilities have continued, characterised by recurring missile and drone activity, cyber-related threats and an elevated risk of further escalation. In parallel, Hezbollah has intensified its activity along Israel's northern border, contributing to ongoing regional instability and heightened geopolitical uncertainty.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

The Company continues to monitor developments closely. As of the date of approval of these financial statements, the Company does not anticipate a material impact on its financial position or results of operations arising from these events. However, the situation remains highly uncertain and difficult to predict, and the potential future impact on the Company's operations, financial condition and results cannot be reasonably estimated at this stage, particularly if the current situation persists for a prolonged period or escalates into broader geopolitical or military conflict.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. The carrying value of the investment in associates and joint ventures considering the requirement of IAS 36 are presented in note 28.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 Investments in Associates and Joint Ventures (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

Disposal groups held for sale

Disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the disposal group is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Discontinued operation

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations. The results of discontinued operations are presented separately in the statement of profit or loss.

The results of discontinued operations are presented in a single amount in the statement of profit or loss, comprising the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation. Cash flows from discontinued operations are presented in the cash flow statement, classified according to operating activities, investing activities, and financing activities.

Comparative information for prior periods is restated to reflect the disclosures related to all operations that have been discontinued by the end of the reporting period.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is not amortised but is reviewed for impairment at least annually. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a cash-generating unit, the attributable goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of goods (point in time) – networking products, network encryption products, medical diagnostics reagents and instruments, and pathogenic waste treatment and sterilisation products
- Rendering of services – related mainly to software services such as training and technical support, laboratory services and maintenance related to products sold
- Construction contracts (over time)

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of goods

For sales of goods, revenue is recognised when control of the goods has transferred generally, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods.

A receivable is generally recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

Rendering of services

Services provided by the Group are recognised as a performance obligation satisfied over time. Revenue is recognised based on the stage of completion of the contract. The management have assessed that the stage of completion determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under IFRS 15.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised over time by reference to the stage of completion of the contract activity at the date of the consolidated statements of financial position. This is normally measured by the proportion that contract costs incurred for work performed to date compare to the estimated total contract costs except where this would not be representative of the stage of completion or engineering completion. The management consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Leases

The Group as a lessee

At inception of the contract, the Group assesses whether an arrangement is a lease or contains a lease. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for assets leased for a period of less than 12 months, and also to lease of assets with low economic value.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

Foreign currencies

The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in the US dollar, which is the presentation currency for the consolidated financial statements.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (operations in foreign currencies) are translated at exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate) within the Group's translation reserve. Such translation reserves are reclassified from equity to profit or loss in the period in which the foreign operation is disposed.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

Government grants

Government grants are assistance from government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Forgivable loans are loans where the lender (Israeli Chief Scientist Officer (ISO)) undertakes to waive repayment under certain prescribed conditions. In a case where a government grant takes the form of a forgivable loan, a liability is recognised in regards to this loan at fair value, based on estimations of future cash flows related to the relevant grant. The Group's policy is to designate such loans as financial liabilities measured at amortised cost according to IFRS 9. The difference between the liability and proceeds are recognised in the research and development expenses.

Share-based payments arrangements

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 35.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share premium reserve.

Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Land and buildings held for use in the Group's operations are stated in the consolidated statements of financial position on a historical cost basis, being the historical cost at the date of acquisition, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Properties in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated. Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets, other than land over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	2%-6%
Plant and equipment	10%-33%
Motor vehicles	15%-33%
Furniture and fittings	6%-15%
Leasehold improvements	6%-20%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other income or expense.

Intangible assets

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Acquired intangible assets are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Amortisation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Customer relationships and backlog	10%-12.5%
Technology	10%-20%
Other	10%

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined on the "first-in-first-out" basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's consolidated statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances to recognise expected lifetime credit losses are recognised in profit or loss at the end of the reporting period. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the 'other gains and losses', or financial income or expenses line item as appropriate. Fair value is determined in the manner described in note 38.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

4 Critical accounting judgments and key sources of estimation uncertainty

Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in note 3, management has made the following judgments that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below):

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the consolidated statements of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use or the fair value less cost of sale of the cash-generating units (CGU) to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows of the CGU and a suitable discount rate in order to calculate present value. For additional information in respect of goodwill see note 25.

Judgments with respect to deferred tax assets

For the purposes of measuring deferred tax assets arising from loss carry-forwards in different territories, management is required to use considerable judgment in estimation of the carried forward losses in which it expects to be able to utilise in the foreseeable future. For additional information in respect of deferred tax assets see note 15.

Judgments with respect to construction contracts

The Group accounts for its revenue in accordance with IFRS 15 revenue from contracts with customers, which requires estimates to be made for contract costs and revenues. Revenue is recognised using the percentage of completion method based on the ratio of contract costs incurred to total estimated contract costs or engineering completion percentage. Estimating total costs is subjective and requires the use of management's best judgments based on the information available at that time.

Judgments with respect to recognition of internally generated intangible assets

The Group recognises costs related to development of software and diagnostic products in accordance with the conditions for recognising internally generated intangible assets. Estimation of meeting the conditions specified for recognition of intangible assets requires the use of management's best judgments. For additional information in respect of intangible assets see note 26.

5 Revenues

The Group derives its revenue from contracts with customers for the transfer of goods at a point in time and services and construction contracts over time. An analysis of the Group's revenues is as follows:

	Year ended 31 December	
	2025 \$'000s	2024 \$'000s
Sales of goods (point in time)	103,900	91,998
Services	11,572	16,073
Construction contracts (over time)	7,726	9,265
	123,198	117,336

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

6 Business and geographical segments**Business segments**

Operational segments are identified on the basis of internal reports about the Group's components that are reviewed by the chief operational decision maker of the Group ("CODM"), the CEO of the Group, for the purpose of allocating resources and evaluating the performance of the operational segments. Information reported to the CODM for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided and the operating profit.

The principal products and services of each of these segments were as follows: Networks – marketing, research and development of data communication products, which includes high-performance connectivity solutions for the network edge, including the Edgility open edge software platform that enables the deployment and life-cycle management of apps, 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. Cyber – provision of integrated hardware and software solutions for network encryption, including hardware security modules (HSMs). Diagnostics – mainly engaged in sales and distribution of in vitro diagnostics reagents and instruments, including the development and production of proprietary products. Its proprietary products are focused on molecular diagnostics by test type and infectious disease by application area. Non-core – mainly the distribution of pharmaceutical and environmental monitoring products and diagnostic tests.

A. Segment revenues and segment results**Year ended 31 December 2025**

	Networks \$'000s	Cyber \$'000s	Diagnostics \$'000s	Non-core \$'000s	Total \$'000s
Revenues from external customers	11,626	8,263	47,485	55,824	123,198
Gross profit	4,991	4,219	14,238	16,616	40,064
Operating profit/(loss)	(5,584)	488	16,927	1,646	13,477
Net finance expenses					(1,109)
Profit before tax					12,368

Year ended 31 December 2024

	Networks \$'000s	Cyber \$'000s	Diagnostics \$'000s	Non-core \$'000s	Total \$'000s
Revenues from external customers	8,550	13,131	38,617	57,038	117,336
Gross profit	4,139	5,387	10,733	16,541	36,800
Operating profit/(loss)	(4,693)	2,898	(1,721)	(1,145)	(4,661)
Net finance income					(722)
Loss before tax					(5,383)

Information about a major customer

Included in revenues from the Cyber division are revenues of approximately \$8.1 million (2024: \$12.9 million) from sales to a single customer. No customer contributed 10% or more to the Group's revenue in 2025, and no other customer contributed 10% or more in 2024.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

B. Segment assets, liabilities and other information

As at 31 December 2025

	Networks \$'000s	Cyber \$'000s	Diagnostics \$'000s	Non-core \$'000s	Total \$'000s
Assets excluding cash & cash equivalents	30,137	3,894	32,019	24,387	90,437
Liabilities	17,712	4,307	12,175	15,522	49,716
Depreciation and amortisation	891	221	1,973	1,539	4,624
Additions to non-current assets	2,073	551	206	1,792	4,622

As at 31 December 2024

	Networks \$'000s	Cyber \$'000s	Diagnostics \$'000s	Non-core \$'000s	Total \$'000s
Assets excluding cash & cash equivalents	26,316	4,257	60,931	26,090	117,594
Liabilities	7,502	4,785	23,598	20,297	56,182
Depreciation and amortisation	1,013	203	2,157	1,595	4,968
Additions to non-current assets	2,489	311	1,742	2,604	7,146

C. Revenue from major products and services

The following is an analysis of the Group's revenue from operations from its major products and services.

Year ended 31 December	2025 \$'000s	2024 \$'000s
Networking and cyber products	15,565	17,009
Software services	4,324	4,672
Diagnostic medical products and services	47,485	38,617
Non-core	55,824	57,038
	123,198	117,336

D. Revenue from major sources

Year ended 31 December 2025

	Networks \$'000s	Cyber \$'000s	Diagnostics \$'000s	Non-core \$'000s	Total \$'000s
Sales of goods (point in time)	8,961	537	42,865	51,537	103,900
Services (over time)	2,665	-	-	-	2,665
Services (point in time)	-	-	4,620	4,287	8,907
Construction contracts (over time)	-	7,726	-	-	7,726
	11,626	8,263	47,485	55,824	123,198

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

Year ended 31 December 2024

	Networks \$'000s	Cyber \$'000s	Diagnostics \$'000s	Non-core \$'000s	Total \$'000s
Sales of goods (point in time)	5,568	3,866	34,275	48,289	91,998
Services (over time)	2,982	-	-	-	2,982
Services (point in time)	-	-	4,342	8,749	13,091
Construction contracts (over time)	-	9,265	-	-	9,265
	8,550	13,131	38,617	57,038	117,336

The cumulative revenue related to construction contracts, which has not yet been recognised, totals \$9.3 million.

E. Geographical information

The Group operates in three principal geographical areas: the United States of America, Israel and Europe. The Group's revenue from external customers and information about its segment assets by geographical location are presented by the location of operations and are detailed below:

\$'000s	Revenue from external customers		Non-current assets	
	2025	2024	2025	2024
Area A	99,785	87,554	14,185	32,529
Area B	15,354	22,654	11,372	11,061
Area C	8,059	7,128	2,198	2,302
Total	123,198	117,336	27,755	45,892

7 Cost of revenues

	Year ended 31 December	
	2025 \$'000s	2024 \$'000s
Direct costs – components and subcontractors	77,841	75,368
Changes in inventory	391	(435)
Salaries and related benefits	2,322	2,552
Overheads and depreciation	2,155	2,493
Other expenses	425	558
	83,134	80,536

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

8 Sales and marketing expenses

	Year ended 31 December	
	2025 \$'000s	2024 \$'000s
Salaries and related benefits	13,431	12,750
Commissions	640	612
Outside services	685	494
Advertising and sales promotion	877	972
Overheads and depreciation	3,138	3,055
Travelling and other expenses	1,739	1,699
	20,510	19,582

9 General and administrative expenses

	Year ended 31 December	
	2025 \$'000s	2024 \$'000s
Salaries and related benefits	7,711	7,347
Professional services(*)	1,961	1,896
Overheads and depreciation	1,935	1,637
Other expenses	1,932	1,910
	13,539	12,790
(*) Including auditors' remuneration for audit services	372	327

Amounts payable to the auditors by the Group undertakings in respect of non-audit services in 2025 were \$91 thousand (2024: \$34 thousand). In addition, payables in respect of non-audit services to other than the Company's auditors, for tax and internal audit services in 2025, were \$92 thousand and \$27 thousand respectively (2024: for tax and internal audit services \$19 thousand and \$25 thousand, respectively).

10 Research and development expenses

	Year ended 31 December	
	2025 \$'000s	2024 \$'000s
Salaries and related benefits	2,964	2,704
Components and subcontractors	1,387	1,655
Overheads and depreciation	479	623
Other expenses	191	194
Government grants	(185)	(540)
	4,836	4,636

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

11 Staff costs

The average monthly number of employees in 2025 (including executive directors) was 806 (2024: 867).

	Year ended 31 December	
	2025 \$'000s	2024 \$'000s
Wages and salaries	25,820	24,411
Share-based payments	608	942
	26,428	25,353

12 Other operating expenses/(income)

	Year ended 31 December	
	2025 \$'000s	2024 \$'000s
Impairment of goodwill ⁽¹⁾ and intangible assets	-	6,809
Loss/(gain) from disposal of property	1,042	(263)
Change in liabilities	-	(2,074)
Gain from disposal of operation and subsidiaries ⁽²⁾	(14,968)	-
Amortisation of intangible assets	27	84
Other expenses/(income) ⁽³⁾	1,601	(103)
	(12,298)	4,453

(1) See note 25 in relation to impairment of goodwill

(2) See note 33 in relation to disposal of subsidiaries and operation

(3) See note 19 in relation to exceptional expense due to a theft of inventory

13 Finance income

	Year ended 31 December	
	2025 \$'000s	2024 \$'000s
Interest on bank deposits and other	599	421
Gain on financial assets at FVTPL	158	244
	757	665

14 Finance expenses

	Year ended 31 December	
	2025 \$'000s	2024 \$'000s
Interest on loans and bank fees and other	(1,183)	(643)
Interest expense on liabilities	(683)	(744)
	(1,866)	(1,387)

15 Income tax expenses

	Year ended 31 December	
	2025 \$'000s	2024 \$'000s
Current tax	(6,398)	(1,307)
Tax on previous years	57	(474)
Deferred tax (note 29)	149	53
	(6,192)	(1,728)

Taxation under various laws:

Israel

The Company is an "industrial company" as defined in the Israeli Law for the Encouragement of Industry (Taxes) 1969.

1. The corporate income tax rate for the years 2024 and 2025 is 23%.
2. Encouragement of Capital Investments Law:
 - a. The corporate tax rate for each company with Preferred Enterprise status for the years 2024 and 2025 is 7.5%.
 - b. Including additional tax tracks for Preferred Technological Enterprise (tax rate of 7.5% in Area "A" and tax rate of 12% in Area "Other") and for special Preferred Technological Enterprise (tax rate of 6%).
 - c. Determining relief of the threshold conditions to enter the track of "Special Preferred Enterprise" relevant for huge companies (tax rates of 5% in Area "A" or 8% in the Area "Other").

The Company has Preferred Enterprise status in Area A and its Israeli subsidiaries are being assessed according to the corporate income tax rate.

The Company and its Israeli subsidiaries have tax loss carry-forwards of \$152.7 million for which the Group did not create deferred tax assets. According to the Israeli tax law there is no expiry date to use such losses.

The Company tax assessments for the years up to and including the 2020 tax year are considered as final.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

The United States of America

Telco Systems incurred losses for tax purposes. In addition, in accordance with U.S. tax law, Telco Systems elected to amortise a substantial part of the excess cost paid by the Company in its acquisition over a period of 15 years, which has resulted in tax loss carry-forwards. According to U.S. law, losses created until 2017 can be carried forward for 20 years. As of 31 December 2025, the total carry-forward losses of Telco Systems amounted to \$172.6 million of which deferred tax assets of \$3.1 million have been recognised in respect of such losses to the extent that a sufficient taxable profit will be available in the foreseeable future.

The corporate income tax for the years 2024 and 2025 is 21%.

Other jurisdictions

Taxation for other jurisdictions than those mentioned above is calculated at the rates prevailing in the respective jurisdictions. The corporate income tax rate for subsidiaries with significant sales are: Moldova is 12%, Romania is 16%, Italy is 28.8% and Hungary is 9%.

The Group has tax loss carry-forwards of \$7.0 million in European subsidiaries and the Group did not recognise deferred tax assets in respect of \$5.9 million of such losses.

The income tax expenses for the year can be reconciled to the profit per the consolidated statement of profit or loss as follows:

	Year ended 31 December	
	2025 \$'000s	2024 \$'000s
Profit/(loss) before tax	12,368	(5,383)
Tax expense at the Israeli statutory corporate income tax rate of 23%	2,845	(1,238)
Current year losses for which no deferred tax assets were recognised	2,149	1,653
Differences between statutory tax in Israel (23%) and subsidiaries tax rate	1,673	699
Impairment of goodwill and intangible assets	-	479
Tax losses utilised in current period for which no deferred tax assets have been recognised	(129)	(123)
Deferred tax assets recognised	10	-
Tax on previous years	(57)	474
Other	(299)	(216)
Tax expenses for the year	6,192	1,728

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

16 Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Year ended 31 December	
	2025	2024
Earnings/(loss) from continuing operations for the purposes of basic and diluted earnings per share (\$'000s) attributable to Owners of the Company	(12,185)	(7,498)
Loss from discontinued operations for the purposes of basic and diluted earnings per share (\$'000s) attributable to Owners of the Company	(6,150)	(14,798)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	436,624,076	436,259,446
Effect of dilutive potential ordinary shares	-	1,192,389
Weighted average number of ordinary shares for the purposes of calculation of diluted earnings per share	436,624,076	437,451,835

The number of dilutive instruments that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the year is 25,053,356 (2024: 29,020,965).

17 Short-term investment in deposits and other securities

	Year ended 31 December	
	2025 \$'000s	2024 \$'000s
Interest-bearing deposits	333	174
Financial assets at FVTPL	199	5,498
	532	5,672

The average interest rate of deposits and other securities as of 31 December 2025 and 2024 was 2.6% and 4.0% respectively.

18 Trade and other receivables

	31 December	
	2025 \$'000s	2024 \$'000s
Trade and other receivables		
Trade receivable account	17,249	19,384
Prepaid expenses and deposits	1,243	3,438
Construction contracts (see following table)	1,594	1,298
Government authorities	1,655	1,478
Other debtors	7,095	4,016
	28,836	29,614

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

	31 December	
	2025 \$'000s	2024 \$'000s
Construction contracts		
Composition:		
Cumulative costs incurred	22,266	18,212
In addition - recognised profits	8,424	1,111
Less accounts submitted to project customers	(29,096)	(18,025)
	1,594	1,298

No interest is charged on the receivables. A net reversal of allowance has been made at 31 December 2025 for estimated irrecoverable amounts from the sale of goods of \$3,002 thousand (2024: allowance of \$2,997 thousand), including a loss allowance for expected credit losses according to IFRS 9. The directors consider that the carrying amount of trade and other receivables approximates their fair value.

As of 31 December 2025, trade receivable account includes amounts of \$9.4 million for which the maturity date has expired (including a receivable in the amount of \$2.8 million that is overdue by more than a year), but the Group, based on past experience and on the credit quality of the debtors and given that a substantial part of the debts have been collected by the date of the approval of this annual report, has not made an allowance for doubtful debts since the Group expects that those debts are collectible.

Credit risk

The Group's principal financial assets are cash and cash equivalents, trade and other receivables, deposits and investments at fair value. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the consolidated statements of financial position are net of allowances for credit loss.

19 Inventories

	31 December	
	2025 \$'000s	2024 \$'000s
Raw materials	1,988	5,132
Work-in-progress	2,650	2,373
Finished goods	23,929	25,205
	28,567	32,710

During 2025, \$0.4 million of slow-moving inventory was impaired and expensed to the profit or loss account (2024: \$0.1 million). In addition, an exceptional expense of \$2.3 million has been recorded due to a theft of inventory, comprising networking components, at one of the Group's warehouses in December 2025.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

20 Discontinued operations

During 2024, the Board resolved to dispose of the Eco-med operation, which constituted part of the Group's non-core activity. The operation, which was expected to be sold within 12 months and had been classified as a discontinued operation, was sold on 30 June 2025 (see note 3). The comparative consolidated statement of profit or loss and the cash flow have been re-presented to show the discontinued operation separately from the continuing operations.

A claim that had been filed in 2019 alleging breach of contract by the discontinued operation for the supply of products and associated damages was decided, in 2025, in favour of the claimant. This resulted in the Group making a cash payment of \$3.6 million and recognising a \$1.6 million expense charge for the discontinued operation, with the expense charge being the difference (primarily due to interest charges) between the provision made in the 2024 financial statements and the final settlement amount.

The results of the discontinued operation are as follows:

	2025 \$'000s	2024 \$'000s
Revenues	519	3,238
Expenses from operation and settlement amount*	3,531	13,962
Loss from discontinued operation	(3,012)	(10,724)
Loss from valuation of fair value less costs to sell	-	4,065
Gain from disposal of discontinued operation	852	-
Disposal of capital reserves related to currency translation of a foreign operation	(3,990)	-
Tax expenses	-	9
Loss for the year attributable to discontinued operations	(6,150)	(14,798)
Other comprehensive income/(expenses) for the year	3,989	(941)
Total comprehensive loss for the year	(2,161)	(15,739)

* During 2024, the Company recorded impairments of inventory and other receivables from this operation totalling \$5.6 million.

21 Held for sale

For the year ended 31 December 2024 and as a 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 were part of the Group's non-core business, are presented as held for sale as the Group expected these operations to be disposed within 12 months.

In 2025, the Group entered into an agreement to sell its entire shareholding in Progenetics. The transaction valued Progenetics at NIS 14 million (c.\$4 million), of which BATM received approximately \$2 million in cash for its 51% shareholding (see note 33).

Impairment losses relating to the disposal groups

Impairment losses of \$5.1 million 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 were recognised in 2024.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

Assets and liabilities associated with the disposal group held for sale at 31 December 2024:

(\$'000s)	Eco-med	Provider of genetic tests	Total \$'000s
Trade and other receivables	1,136	705	1,841
Property, plant and equipment	-	17	17
Right-of-use assets	1,209	-	1,209
Goodwill	-	1,593	1,593
Total assets classified as held for sale	2,345	2,315	4,660
Trade and other payables	835	902	1,737
Current maturities of lease liabilities	286	-	286
Long-term liabilities	36	-	36
Long-term lease liabilities	919	-	919
Total liabilities associated with assets classified as held for sale	2,076	902	2,978

22 Property, plant and equipment

(\$'000s)	Land and buildings	Plant and equipment	Motor vehicles	Furniture and fittings	Leasehold improvements	Total
Cost						
At 1 January 2024	7,225	23,071	2,448	4,346	4,118	41,208
Additions	-	330	320	128	89	867
Disposals	(460)	(114)	(380)	(37)	-	(991)
Classified as Held for Sale	(384)	(2,131)	(67)	(764)	(307)	(3,653)
Effect of translation adjustment	(371)	(683)	(200)	(172)	(90)	(1,516)
At 1 January 2025	6,010	20,473	2,121	3,501	3,810	35,915
Additions	284	1,086	460	41	89	1,960
Disposal	5	(6,724)	(741)	(142)	(1,012)	(8,614)
Effect of translation adjustment	625	862	307	139	208	2,141
At 31 December 2025	6,924	15,697	2,147	3,539	3,095	31,402

for the year ended 31 December 2025

(\$'000s)	Land and buildings	Plant and equipment	Motor vehicles	Furniture and fittings	Leasehold improvements	Total
Accumulated depreciation						
At 1 January 2024	2,421	15,223	1,480	4,111	1,922	25,157
Depreciation expense	424	1,146	267	217	404	2,458
Disposals	(133)	(38)	(191)	(26)	-	(388)
Impairment*	23	1,203	3	-	-	1,229
Classified as Held for Sale	(384)	(2,116)	(66)	(761)	(307)	(3,634)
Effect of translation adjustment	(192)	(403)	(130)	(137)	(61)	(923)
At 1 January 2025	2,159	15,015	1,363	3,404	1,958	23,899
Depreciation expense	222	1,115	266	140	413	2,156
Disposals	(49)	(3,879)	(623)	(127)	(561)	(5,239)
Impairment**	-	785	-	-	-	785
Effect of translation adjustment	336	661	176	97	108	1,378
At 31 December 2025	2,668	13,697	1,182	3,514	1,918	22,979
Carrying amount						
At 31 December 2025	4,256	2,000	965	25	1,177	8,423
At 31 December 2024	3,851	5,458	758	97	1,852	12,016

* Impairment related to assets which are part of disposal groups which were classified to held for sale

** Impairment of laboratory equipment

23 Investment property

Additional Information

Fair value disclosures for investment properties measured using the cost model

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at year end are as follows:

	31 December 2025		31 December 2024	
	At amortised cost \$'000s	Fair value \$'000s	At amortised cost \$'000s	Fair value \$'000s
Italy	604	1,076	548	953

The fair value of the asset was determined based on the market comparable approach that reflects recent transaction prices for similar properties, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

Average market price, taking into account the differences in location and individual factors, such as frontage and size, between the comparables and the property, was \$1,112 per square metre for the property in Italy.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

24 Right-of-use assets

(\$'000s)	Plant and equipment	Buildings	Motor vehicles	Total
Cost				
At 1 January 2024	1,288	9,362	1,503	12,153
Additions	954	2,076	542	3,572
Disposals	-	(2,011)	(98)	(2,109)
Effect of translation adjustment	(114)	(64)	(139)	(317)
Classified as Held for Sale	-	(1,395)	-	(1,395)
At 31 December 2024	2,128	7,968	1,808	11,904
Additions	344	1,247	144	1,735
Disposals	(2,699)	(1,982)	(1,499)	(6,180)
Effect of translation adjustment	227	203	106	536
At 31 December 2025	-	7,436	559	7,995

(\$'000s)	Plant and equipment	Buildings	Motor vehicles	Total
Accumulated depreciation				
At 1 January 2024	571	6,216	1,015	7,802
Charge for the year	384	1,597	335	2,316
Disposals	-	(1,901)	(98)	(1,999)
Effect of translation adjustment	(53)	(17)	(137)	(207)
Classified as held for sale	-	(186)	-	(186)
At 31 December 2024	902	5,709	1,115	7,726
Charge for the year	464	1,399	258	2,121
Disposals	(1,474)	(1,182)	(918)	(3,574)
Effect of translation adjustment	108	93	60	261
At 31 December 2025	-	6,019	515	6,534
Carrying amount				
At 31 December 2025	-	1,417	44	1,461
At 31 December 2024	1,226	2,259	693	4,178

The Group leases several assets including buildings and motor vehicles. The average lease term of buildings and motor vehicles is approximately 5 and 3 years, respectively.

The maturity analysis of lease liabilities is presented in note 30.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

Amounts recognised in profit or loss

	2025 \$'000s	2024 \$'000s
Interest expense on lease liabilities	294	296
Expense relating to short-term leases	899	926

At 31 December 2025, the Group was committed to \$1.4 million for short-term leases (2024: \$1.3 million). The total cash outflow for leases amounted to \$2,154 thousand (2024: \$2,098 thousand).

25 Goodwill

The Group annually tests goodwill for impairment or more frequently if there are indications that goodwill might be impaired. Management conducted their annual impairment testing, using an external valuation specialist as necessary, to assess the recoverability of goodwill while considering the Group's execution on its business strategy and whether there were also indicators of impairment with respect to intangible assets.

The Group has four reportable business segments and goodwill is allocated to CGUs as follows: Networks Segment: an amount of \$1,984 thousand (2024: \$1,984 thousand). Diagnostics Segment: \$0 thousand (2024: \$285 thousand), which is allocated to Distribution of diagnostics: \$0 thousand (2024: \$285 thousand). Non-core Segment: \$1,075 thousand (2024: \$1,075 thousand), which is allocated to Analytical instruments distribution: \$1,075 thousand (2024: \$1,075 thousand).

The recoverable amounts of the CGUs are determined from value-in-use calculations or fair value. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected related expenses during the period. Pre-tax discount rates of between 14.5% - 15.9% have been used. Changes in expenses are based on recent history and expectations of future changes in the market.

For the purpose of the goodwill impairment test on value-in-use, the Group prepares cash flow forecasts derived from the most recent financial budget approved by management and extrapolates indefinite cash flows based on estimated growth rates. For the purposes of this calculation management have used revenue growth rates for the Networks CGU of 27% average growth per year for 1-5 years and 1% thereafter and for the Analytical instruments distribution CGU of 10% average growth per year for 1-5 and 1% thereafter.

The average operating expenses have been assumed to grow for the Networks CGU at 6% average growth per year for 1-5 and 4% thereafter; and for the Analytical instruments distribution CGU at 12% average growth per year for 1-5 and 0% thereafter. The average cost of goods sold has been assumed to grow for the Networks CGU at 24% average growth per year for 1-5 and 1% thereafter and for the Analytical instruments distribution CGU at 10% average growth per year for 1-5 and 1% thereafter.

During the financial year, the Group sold its AMS subsidiary (Distribution of diagnostics) resulting in the disposal of \$0.3 million of goodwill.

During 2024, the Group recognised an impairment loss from continuing operations of \$5.2 million related to goodwill, out of which \$0.9 million is related to an operation that was classified as held for sale, and an additional \$2.5 million is related to an operation that was classified as discontinued operations.

	2025 \$'000s	2024 \$'000s
Balance at 1 January	3,344	12,763
Impairment losses for the year	-	(7,726)
Classified as held for sale ⁽¹⁾	-	(1,593)
Foreign exchange difference	-	(100)
Disposal of subsidiary	(285)	-
Balance at 31 December	3,059	3,344

⁽¹⁾ See note 21 in respect of held for sale

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

26 Intangible assets

	Customer Relationships and Backlog \$'000s	Technology \$'000s	Other \$'000s	Total \$'000s
Cost				
As at 1 January 2024	11,747	21,236	1,610	34,593
Additions from internal development	-	2,707	-	2,707
Classified as held for sale	(1,400)	(2,041)	(312)	(3,753)
Effect of translation adjustments	(283)	(347)	(5)	(635)
At 1 January 2025	10,064	21,555	1,293	32,912
Additions from internal development	-	2,414	-	2,414
Disposals	(1,390)	-	-	(1,390)
Effect of translation adjustments	205	193	(10)	388
At 31 December 2025	8,879	24,162	1,283	34,324
Accumulated amortisation				
At 1 January 2024	11,706	13,269	1,599	26,574
Amortisation expense	10	597	73	680
Impairment losses for the year	-	1,802	116	1,918
Effect of translation adjustments	(292)	(214)	(5)	(511)
Classified as held for sale	(1,400)	(1,837)	(516)	(3,753)
At 1 January 2025	10,024	13,617	1,267	24,908
Amortisation expense	10	320	17	347
Disposals	(1,390)	-	-	(1,390)
Effect of translation adjustments	235	49	(1)	283
At 31 December 2025	8,879	13,986	1,283	24,148
Carrying amount				
At 31 December 2025	-	10,176	-	10,176
At 31 December 2024	40	7,938	26	8,004

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

27 Subsidiaries

A list of the significant direct and indirect investments in subsidiaries, including the country of incorporation, and percent of ownership interest as at 31 December 2025 is presented below.

Subsidiary	Principal activity	Country of incorporation	Ownership interest
Entity A	Telecommunication	United States of America	100%
Entity B	Distribution	Moldova	51%
Entity C	Diagnostics	Italy	96%
Entity D	Diagnostics	Italy	96%
Entity E	Cyber	Israel	67%
Entity F	Distribution	Hungary	100%

The most significant non-controlling interests (49%) are related to entity B, which the profit for 2025 amounts to \$289 thousand (2024: profit of \$621 thousand).

28 Investment in joint venture and associate

	2025 \$'000s	2024 \$'000s
As at 1 January	17,802	17,894
Additions	1,072	1,378
Equity loss and write off of investment	(16,422)	(345)
Effect of translation adjustments	1,580	(1,125)
At 31 December	4,032	17,802

The Group's total investments in ADOR Diagnostics Ltd ("ADOR") result in a shareholding of 43.4%. During the reporting period, ADOR discontinued its development activities. ADOR continues to seek a strategic investor or other opportunity to monetise its know-how and, if successful, the Group would recognise a corresponding gain.

In light of the Board's assessment that there is significant uncertainty regarding the potential sale of ADOR or the identification of a strategic investor, the Group has written off its entire investment in ADOR, together with all related financial balances.

29 Deferred tax

Deferred tax assets

The following are deferred tax assets recognised by the Group and movements thereon during the current and prior reporting period (see also note 15).

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

	Losses carried forward \$'000s	Other \$'000s	Total \$'000s
At 1 January 2024	3,372	135	3,507
Change for the period	-	14	14
Effect of translation adjustments	(15)	(8)	(23)
At 1 January 2025	3,357	141	3,498
Change for the period	-	149	149
Effect of translation adjustments	28	19	47
At 31 December 2025	3,385	309	3,694

The Group incurred tax losses in certain jurisdictions, to which deferred tax assets relate, to the extent that it is expected that future taxable profit will be available and can be utilised against them. The deferred tax assets were analysed based on forecasted operations and existing agreements and backlog. The Group expects that taxable profits will be available, as a result of an increasing demand, new products and expansion to new markets.

Deferred tax liabilities

	Intangible assets \$'000s	Total \$'000s
At 1 January 2024	39	39
Change for the period	(39)	(39)
Effect of translation adjustments	-	-
At 1 January 2025	-	-
Change for the period	-	-
Effect of translation adjustments	-	-
At 31 December 2025	-	-

The following are unrecognised taxable temporary differences associated with investments and interests:

Taxable temporary differences in relation to investments in subsidiaries for which deferred tax liabilities have not been recognised amount to \$6,056 thousand as of 31 December 2025 (31 December 2024: \$14,773 thousand).

30 Financial and other liabilities**Trade and other payables**

	31 December	
	2025 \$'000s	2024 \$'000s
Trade creditors	12,905	20,896
Salary accruals	6,703	5,431
VAT and other tax	1,719	2,136
Provision	78	123
Liability for acquisition	-	658
Other creditors and accruals	7,437	7,447
	28,842	36,691

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of trade payables approximates to their fair value.

Long-term bank credit

	31 December	
	2025 \$'000s	2024 \$'000s
Long-term bank credit	182	-
	182	-

Long-term liabilities

	31 December	
	2025 \$'000s	2024 \$'000s
Liability to the office of the chief scientist	2,127	2,088
Government institutions, contingencies and others	2,281	4,500
	4,408	6,588

Changes in financial liabilities where the cash flows in respect thereof are classified to financing activities

2025	Open balance \$'000s	Cash flow from finance activities, net \$'000s	Foreign exchange differences \$'000s	Close balance \$'000s
Short term	4,261	3,851	402	8,514
Long term	-	182	-	182
	4,261	4,033	402	8,696

2024	Open balance \$'000s	Cash flow from/(used in) finance activities, net \$'000s	Foreign exchange differences \$'000s	Close balance \$'000s
Short term	3,276	1,098	(113)	4,261
Long term	1,328	(1,197)	(131)	-
	4,604	(99)	(244)	4,261

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

Lease liabilities

	2025 \$'000s	2024 \$'000s
Balance as at 1 January	4,390	4,480
Cash payments	(2,110)	(2,395)
Other (mainly additions)	1,986	3,640
Classified to held for sale	-	(1,204)
Disposal	(2,800)	-
Foreign exchange impact	195	(131)
Balance as at 31 December	1,661	4,390

	31 December	
	2025 \$'000s	2024 \$'000s
Maturity analysis		
Year 1	999	2,032
Year 2	471	1,161
Year 3	110	663
Year 4	22	377
Onwards	59	157
	1,661	4,390

31 Share capital

	Ordinary shares of NIS 0.01 each (number of shares)	
	2025	2024
Authorised:	1,000,000,000	1,000,000,000
Issued and fully paid:	441,369,184	441,026,659
Held in treasury	(4,495,000)	(4,495,000)
Held by a subsidiary (transferred in a transaction that completed on 31 December 2025)	(96,794,500)	-
Net	340,079,684	436,531,659

The Company has one class of ordinary shares which carry no right to fixed income.

During 2025 and 2024, 342,525 and 342,525 restricted share units were exercised respectively by grantees (see note 35 - share-based payments).

32 Note to the cash flow statement

	Year ended 31 December	
	2025 \$'000s	2024 \$'000s
Operating profit/(loss) from continuing operations	13,477	(4,661)
Adjustments for:		
Amortisation of intangible assets	347	680
Depreciation of property, plant and equipment and investment property	4,277	4,288
Capital loss/(gain) of property, plant and equipment	1,042	(263)
Impairment of goodwill and other assets	-	6,809
Share-based payments	608	942
Investment carried at fair value	(365)	-
Capital gain from disposal of operations and subsidiaries (see note 33)	(14,968)	-
Increase in retirement benefit obligation	35	16
Operating cash flow before movements in working capital	4,453	7,811
Increase in inventories	(489)	(521)
Increase in receivables	(13,221)	(1,197)
Decrease/(increase) in payables	5,533	(2,630)
Effects of exchange rate changes on the balance sheet	1,822	(1,777)
Cash (used in)/from operations	(1,902)	1,686
Income taxes paid	(1,337)	(1,291)
Interest paid	(482)	(663)
Interest received	599	421
Net cash (used in)/from continuing operating activities	(3,122)	153
Net cash used in discontinued operating activities	(3,843)	(1,806)

33 Disposal of subsidiaries and operation

A. Disposal of Progenetics

On 15 May 2025, the Group completed the divestiture of its interest in Progenetics resulting in the disposal of the assets and liabilities from the consolidated balance sheet, and a gain on the disposal was recognised in the consolidated statement of income, reflecting the difference between the consideration received and the carrying amount of the net assets and non-controlling interest ("NCI") disposed.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

	15 May
	2025 \$'000s
Net assets disposed	
Assets associated with disposal group Held for Sale	2,015
Liabilities associated with disposal group Held for Sale	(948)
Non-controlling interest	(947)
Net assets disposed	120
Disposal of capital reserves related to currency translation of a foreign operation	15
Gain on disposal	760
Net consideration	895
Net cash inflow arising from disposal	
Consideration received in cash, net	1,619
Cash held in escrow	143
Cash and cash equivalents disposed	(867)
Net consideration	895

B. Disposal of Celitron

On 30 June 2025, the Group completed the divestiture of its interest in Celitron resulting in the disposal of the assets and liabilities from the consolidated balance sheet, and a gain on the disposal was recognised in the consolidated statement of income, reflecting the difference between the consideration received and the carrying amount of the net assets disposed.

	30 June
	2025 \$'000s
Net assets disposed	
Assets associated with disposal group Held for Sale	1,235
Liabilities associated with disposal group Held for Sale	(1,847)
Net assets disposed	(612)
Disposal of capital reserves related to currency translation of a foreign operation	3,990
Loss on disposal	(3,138)
Total consideration	240
Net cash inflow arising from disposal	
Consideration received in cash and cash equivalents, net	250
Cash and cash equivalents disposed	(10)
Total consideration	240

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

C. On 30 June 2025, the Group completed the divestiture of the Zer Laboratories operation for a total consideration amounting to \$0.1 million.

D. Disposal of AMS

On 31 December 2025, the Group completed the divestiture of its interest in AMS resulting in the disposal of the assets and liabilities from the consolidated balance sheet, and a gain on the disposal was recognised in the consolidated statement of income, reflecting the difference between the consideration received and the carrying amount of the net assets disposed. The sale of AMS was a non-cash transaction with the consideration paid by the purchaser being 96,794,500 ordinary shares of NIS 0.01 each in the Company.

	31 December
	2025 \$'000s
Net assets disposed	
Assets associated with disposal	25,465
Liabilities associated with disposal	(20,182)
Net assets disposed	5,283
Disposal of capital reserves related to currency translation of a foreign operation	1,316
Expenses related to acquisition	321
Gain on disposal	14,074
Net consideration	20,994
Net cash inflow arising from disposal	-
Net cash outflow arising from disposal	353

34 Guarantees and liens

The Group provided from time-to-time bank guarantees due to advances from customers. The Group registered several liens in favour of banks.

35 Share-based payments

Equity-settled share option scheme

In November 2021, the Company approved a Global Share Incentive Plan (hereinafter: "the 2021 Plan"), under which the Company can grant options or restricted share units or allot shares (including restricted shares), according to the procedures, terms and conditions specified in the 2021 Plan. Options granted prior to the 2021 Plan are subject to the terms and conditions under which they were granted.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

Details of the share options outstanding during the year are as follows:

	2025		2024	
	Number of share options	Weighted average exercise price (in GBP)	Number of share options	Weighted average exercise price (in GBP)
Outstanding at beginning of year	29,927,166	0.2517	25,655,400	0.2619
Granted during the year	3,730,892	0.1649	5,125,397	0.1973
Forfeited during the year	(8,604,702)	0.2331	(853,631)	0.2327
Exercised during the year	-	-	-	-
Outstanding at the end of the year	25,053,356	0.2451	29,927,166	0.2517
Exercisable at the end of the year	13,688,380	0.2696	11,511,600	0.2742

The outstanding options at 31 December 2025 had a weighted average exercise price of GBP 0.2451, and a weighted average remaining contractual life of 4 years. During the year, the Company granted a total of 3,730,892 options over ordinary shares of 0.01 NIS each in the capital of the Company ("Ordinary Shares") to four grantees for a total fair value of \$450 thousand which were calculated according to the Black-Scholes model. The options were granted under the 2021 Plan.

The inputs into the Black-Scholes model for the options granted are as follows:

	2025 1st grant	2025 2nd grant
Share price (GBP)	0.1645	0.1658
Weighted average exercise price (GBP)	0.1677	0.1613
Expected volatility*	52%	52%
Expected life	6	6
Risk-free rate	4.17%	4.17%
Expected dividends	0%	0%
Fair value of the grant	\$250k	\$200k

On 22 June 2025, the Company granted a total of 2,080,441 options over ordinary shares of 0.01 NIS each in the capital of the Company to the CFO of the Company. The options were granted under the 2021 Plan and granted prior to his appointment as a director.

The inputs into the Black-Scholes model for the options granted are as follows:

	2024 1st grant	2024 2nd grant	2024 3rd grant
Weighted average share price (GBP)	0.2060	0.2040	0.1645
Weighted average exercise price (GBP)	0.2033	0.2053	0.1858
Expected volatility*	51%	51%	52%
Expected life	6	6	6
Risk-free rate	3.6%	3.8%	4.0%
Expected dividends	0%	0%	0%
Fair value of the grant	\$281k	\$180k	\$200k

*Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 3 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

Details of the restricted share units ("RSUs") outstanding during the year are as follows:

	Number of RSUs 2025	Number of RSUs 2024
Outstanding at beginning of year	1,168,407	1,799,705
Granted during the year	-	-
Forfeited during the year	(825,882)	(288,773)
Exercised during the year	(342,525)	(342,525)
Outstanding at the end of the year	-	1,168,407

The Group recognised total expenses of \$608 thousand and \$942 thousand related to equity-settled share-based payment transactions in 2025 and 2024, respectively.

36 Retirement benefit obligation

Defined contribution plans

The Group operates defined contribution retirement benefit schemes for all qualifying employees in Israel. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The employees of the Group's subsidiaries in the United States are members of a state-managed retirement benefit scheme operated by the government of the United States. The subsidiary contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

Defined benefit plans

The Group operates defined benefit schemes for qualifying employees of the Company and its subsidiaries in Israel and in Italy.

In Israel, this scheme provides severance pay provision as required by Israeli law. In Italy, each employee is entitled to severance payment at the end of employment.

Actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by an external appraisal regarding the employees in Israel. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method. The discount rate was based on high quality corporate bonds.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2025	2024
Discount rate(s)	5.48%	5.42%
Expected rate(s) of salary increase	3-4%	3-4%
Expected inflation rate	2.05%	2.52%
Employee turnover rate	7.50%	7.50%

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

Service cost:

	2025 \$'000s	2024 \$'000s
Current service cost	151	204
Net interest expenses	27	24
Components of defined benefit costs recognised in profit or loss	178	228

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

Re-measurement on the net defined benefit liability:

	2025 \$'000s	2024 \$'000s
Return on plan assets (excluding amounts included in net interest expense)	(40)	103
Actuarial gains and losses arising from changes in financial assumptions	(6)	0
Actuarial gains and losses arising from other	71	(89)
Components of defined benefit costs recognised in other comprehensive income	25	14

The amount included in the consolidated statements of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

	2025 \$'000s	2024 \$'000s
Present value of funded defined benefit obligation	1,908	1,668
Fair value of plan assets	(1,084)	(1,013)
Net liability	824	655

Movements in the present value of the defined benefit obligation in the current period were as follows:

	2025 \$'000s	2024 \$'000s
Opening defined benefit obligation	1,668	1,581
Current service cost	151	204
Interest cost	63	58
Remeasurement (losses)/gains arising from changes in financial assumptions	(10)	89
Benefits paid	(191)	(242)
Exchange rate differences	227	(22)
Closing defined benefit obligation	1,908	1,668

Movements in the present value of the plan assets in the current period were as follows:

	2025 \$'000s	2024 \$'000s
Opening fair value of plan assets	1,013	983
Interest income	36	34
Remeasurements (losses)/gains return on plan assets (excluding amounts included in net interest expense)	(40)	103
Contributions from the employer	29	34
Benefits paid	(106)	(135)
Exchange rate differences	152	(6)
Closing fair value of plan assets	1,084	1,013

37 Related party transactions

Remuneration of directors and key management

	2025 \$'000s	2024 \$'000s
Short- and long-term employee benefits	1,887	1,179
Share-based payments	329	841
	2,216	2,020

At the end of the year, the Group had a liability to a related party in the amount of \$625 thousand.

Transactions and balances with associated companies and related party

- During the year, the Group provided various services (mostly lab services) to an associated company for an amount of \$553 thousand. At the end of the year, the Group's assets and liabilities related to associated companies amounted to \$45 thousand and \$0 thousand, respectively (see also note 28).
- On 5 October 2025, the Group signed an agreement to sell its entire shareholding in the Romanian company A.M.S. 2000 Trading Impex SRL ("AMS") to Dr. Zvi Marom, a director, former CEO, and shareholder who held c. 22.2% of the issued share capital of BATM, in exchange for Dr. Marom's entire shareholding in BATM, which consisted of 96,794,500 shares of BATM. Dr. Marom stepped down from the Board on 10 December 2025 and ceased to be a shareholder of BATM following the closing of the transaction which occurred on 31 December 2025 and the transfer of the 96,794,500 shares from Dr. Marom to a subsidiary of the Group.
The Group recognised a gain of \$14.1 million from the sale of AMS. Since year end, the Group has received \$3.7 million in cash that had been held by AMS and distributed to the Group as dividend, with a further \$0.3 million still to be received (see note 33).

38 Financial instruments

(a) Capital risk management

Management's policy is to maintain a strong capital base in order to preserve the ability of the Group to continue operating so that it may provide a return on capital to its shareholders, benefits to other holders of interests in the Group such as credit providers and employees of the Group, and sustain future development of the business. Management of the Group monitors return on capital defined as the total amount of equity attributable to the shareholders of the Group and also the amount of dividends distributed to the ordinary shareholders.

The Group's management reviews the capital structure on a periodic basis. As a part of this review the management considers the cost of capital and the risks associated with each class of capital. Based on management's recommendations, the Group will balance its overall capital structure through the payment of dividends. The Group's overall strategy remains unchanged from 2006.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

(c) Categories of financial instruments

	2025 \$'000
Financial assets	
Cash and cash equivalents*	22,859
Fair value through profit or loss	2,117
Fair value through OCI	-
Receivables	25,937
Financial liabilities	
At amortised cost	39,529

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

	2024 \$'000s
Financial assets	
Cash and cash equivalents*	25,898
Fair value through profit or loss	6,376
Fair value through OCI	524
Receivables	24,017
Financial liabilities	
At amortised cost	46,375

* Cash and cash equivalents comprises \$13.8 million deposits up to three months and \$9.1 million cash (2024: \$15.1 million deposits up to three months and \$10.8 million cash).

The majority of the assets included in fair value through profit or loss section measurements are level 1 fair value measurements, defined as those derived from quoted prices (unadjusted) in active markets for identical assets.

(d) Financial risk management objectives

The Group's finance function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyse exposure by degree and magnitude of risks. These risks include market risk (including currency, interest rate and inflation risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to minimise the effects of these risks by using derivatives only for economic hedging and does not apply hedge accounting. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

(e) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer to section f) and interest rates (refer to section g). The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including structured deposits, call options and forward foreign exchange contracts to hedge the exchange rate risk, which derive mostly from existing monetary assets and liabilities.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk. However, due to recent changes and market volatility, the Group is monitoring closely its exposure and possible indirect impacts.

(f) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The Company does not implement hedge accounting.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	Liabilities		Assets	
	2025 \$'000s	2024 \$'000s	2025 \$'000s	2024 \$'000s
EUR	18,461	22,975	23,479	16,583
NIS	14,603	8,837	4,871	9,210
RON	462	4,356	545	15,469
MDL	5,110	7,878	7,227	6,241
GBP	64	459	18	53
Other	1,923	1,663	2,622	1,371

Foreign currency sensitivity

The Group is mainly exposed to EUR, NIS, MDL, RON and GBP.

The following table details the Group's sensitivity to a 10% change in USD against the respective foreign currencies in 2025. The rate of 10% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis of the Group's exposure to foreign currency risk at the reporting date has been determined based on the change taking place at the beginning of the financial year and held constant throughout the reporting period. A positive number indicates an increase in profit or loss and other equity where the USD weakens against the respective currency. If the USD were to strengthen by the same percentage against the respective currency there would be a similar but reverse impact on the profit or loss and equity as presented in the tables below.

Profit or loss

	2025 \$'000s	2024 \$'000s
NIS Impact	(946)	(9)
EUR Impact	1,118	50
GBP Impact	(4)	(4)

Equity

	2025 \$'000s	2024 \$'000s
NIS Impact	(28)	46
EUR Impact	(616)	(690)
MDL Impact	212	(164)
GBP Impact	1	(37)
RON Impact	8	1,111
Other Currencies Impact	70	(29)

The Group's main exposure derives from its cash, receivables and payables at year end.

Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

The Company engages in financial instruments contracts such as forward contracts, call and put options and structured instruments in order to manage foreign currencies exposure as needed.

(g) Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group may borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The Group's exposure to interest rate on financial assets and financial liabilities are detailed in the following table (refer to section h). The exposure to floating rate loans is not material.

(h) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Financial liabilities

	Weighted average effective interest rate %	0-3 months \$'000s	3 months to 1 year \$'000s	1-5 years \$'000s	Total \$'000s
31 December 2025					
Non-interest bearing loans	-	26,473	380	3,959	30,812
Bank loans bearing interest(*)	6.98	4,019	4,495	182	8,696
Lease liabilities	5.94	300	699	662	1,661
		30,792	5,574	4,803	41,169
31 December 2024					
Non-interest bearing loans	-	33,863	351	4,125	38,339
Bank loans bearing interest(*)	7.71	99	4,162	-	4,261
Lease liabilities	6.60	508	1,524	2,358	4,390
		34,470	6,037	6,483	46,990

(*) Part of the bank loans are fixed rate plus Euribor.

The future bank loan interest to be paid is \$319 thousand.

(i) Finance liabilities

Loans from banks are measured at amortised cost using the effective interest method. The difference between the fair value of the loans and their book value is not significant.

(j) Fair value of financial instruments carried at amortised cost

The fair value of the financial instruments of the Group carried at amortised cost is not considered to be materially different from the stated amortised cost.

39 Subsequent events

On 10 February 2026, the Group sold Laborator A.M.S 2000 SRL, for a consideration of \$1 million in cash, to a laboratory group headquartered in Germany that provides agricultural, environmental, water, food and feed analysis.

Other Alternative Measures

for the year ended 31 December 2025

Income statement adjustments

The Group has made reference in the annual report to a number of adjustments related to the amortisation of intangible assets and share-based payments. These adjustments are outlined below:

Year ended 31 December 2025 (Unaudited)	Reported results \$'000s	Adjustments(*) \$'000s	Adjusted results \$'000s
Gross profit	40,064	320	40,384
Gross margin (%)	32.5%	-	32.8%
Operating profit	13,477	1,186	14,663
EBITDA	18,101	839	18,940

Year ended 31 December 2024 (Unaudited)	Reported results \$'000s	Adjustments(*) \$'000s	Adjusted results \$'000s
Gross profit	36,800	432	37,232
Gross margin (%)	31.4%	-	31.7%
Operating profit/(loss)	(4,661)	8,430	3,769
EBITDA	7,116	942	8,058

(*) Adjusted to exclude amortisation, share-based payments, expenses related to corporate activity and, in 2024, a one-time impairment of intangible assets.

The above does not form part of the audited financial statements.

EBITDA measurement

The Group uses EBITDA as a performance measure, which is calculated as follows:

	Year ended 31 December	
	2025 (Unaudited) \$'000s	2024 (Unaudited) \$'000s
Operating profit/(loss)	13,477	(4,661)
Amortisation of intangible assets	347	680
Depreciation	4,277	4,288
Impairment	-	6,809
EBITDA	18,101	7,116
Share-based payments	608	942
Expenses related to corporate activity(*)	231	-
Adj. EBITDA	18,940	8,058

(*) Related to due diligence expenses

The above does not form part of the audited financial statements.

Company Information

for the year ended 31 December 2025

Registered Office

P.O.B. 7318, Neve Ne'eman Ind. Area, 4 Ha'harash Street, 4524075 Hod Hasharon, Israel

Company Number

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Mr. Yair Livneh

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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 this 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.



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