

22 June 2026

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

**Sale of Non-Core Businesses**

*Proposed secondary sale of 96.8m existing BATM shares at 18.15p per share, a 33% premium to market price, and the disposal of three non-core activities for \$13.3m cash consideration*

*Combined, transactions to generate \$37m cash and accelerate focus on high-growth, high-margin markets of secure managed networking, quantum encryption and cybersecurity*

BATM (LSE: BVC; TASE: BVC), a global provider of advanced network infrastructure and cybersecurity technologies, is pleased to announce that it has entered into a share purchase and loan assignment agreement (the "SPLAA") for the proposed sale of three of its remaining four non-core activities, comprising seven corporate entities (the "Disposed Businesses"), for a cash consideration of \$13.3m.

In addition, Sunstring Limited ("Sunstring"), one of the Disposed Businesses, has entered into a secondary share purchase agreement (the "SSPA") (together with the SPLAA, the "Agreements") for the sale of the 96,794,500 ordinary shares of NIS 0.01 each in BATM ("Ordinary Shares") held by Sunstring at a price of 18.15p per Ordinary Share, equating to a cash consideration of c. £17.6m (c. \$23.3m). This represents a 33% premium to the average closing price of BATM's Ordinary Shares on the London Stock Exchange in the 30 trading days preceding the signing of the Agreements.

The Agreements, which are inter-conditional, have been entered into with Mr. Haim Dor, with the aggregate cash consideration being approximately \$36.6m (subject to fluctuations in the conversion rate) (the "Transaction"). The Disposed Businesses and the 96,794,500 Ordinary Shares (the "Sale Shares") will be sold to Mr. Dor or an entity controlled by him (the "Purchaser").

The Transaction represents significant progress on the Group's strategy to exit its non-core activities, streamline its operations and concentrate resources on its core strengths of networking and cybersecurity. Following completion of the Transaction, only one non-core subsidiary would remain: the Group's environmental monitoring company in Hungary, which the Group is expecting to divest in the near term. This repositions BATM as a high-technology specialist delivering mission-critical secure managed networking, quantum encryption and cybersecurity solutions to governments, critical infrastructure providers and global enterprises ("Continuing BATM").

**Key Highlights**

- The consideration for the Disposed Businesses under the SPLAA of \$13.3m values the Disposed Businesses at 33x their adjusted\* net profit for the year ended 31 December 2025
- The Sale Shares are being sold at a price of 18.15p per share, representing:
  - a 33% premium to the average closing price of the Group's shares on the London Stock Exchange in the 30 trading days preceding the signing of the Agreements; and
  - a 13% premium to the value of these shares on the closing of the transaction in which the Group received them in consideration for the sale of another non-core subsidiary as previously announced
- If the Purchaser sells all or any of the shares or assets of the Disposed Businesses (distinct from the Sale Shares) within two years of the closing of the Transaction for a price above a defined threshold, the Group would be entitled to receive additional consideration (as detailed in the 'Summary Transaction Details' below)
- The net cash proceeds from the Transaction will be used to scale the commercial pipeline of Continuing BATM, accelerating R&D programmes and strategic M&A

\* For details on the adjustment, see 'Summary Information on the Disposed Businesses' below

The Transaction will be conditional, *inter alia*, upon approval by the Group's shareholders, which will be sought at a general meeting to be convened by the Group.

Mr. Haim Dor is an entrepreneur and investor primarily focused on the private healthcare sector. Most notably, he was the co-founder and a significant shareholder of the Raphael Hospital in Tel Aviv. Mr. Dor is not a related party of the Group.

Following completion of the Transaction, Mr. Dor or an entity controlled by him will hold approximately 22% of the Group's issued share capital and voting rights.

**Moti Nagar, Chief Executive Officer of BATM, said:**

"This is a decisive strategic win for BATM. By disposing of multiple non-core subsidiaries in a single transaction, we are accelerating our transformation into a focused secure networking, quantum encryption and cybersecurity business. This Transaction will give us the balance sheet strength to embark on the next stage of our strategy; to focus on, and invest in, the significant growth opportunities that exist within the remaining business."

**Strategic Rationale for the Transaction**

The Transaction will significantly accelerate the Group's strategy to become a streamlined company focused on the high-growth, high-margin and complementary markets of networking and cybersecurity. The net proceeds of the Transaction will be used, as described further below, to accelerate progress in the growth strategy of the Continuing BATM business. It follows five other non-core disposals over the last 13 months, with the total cash to be generated from all of these non-core disposals, including the Transaction and the sale of the Sale Shares being, in aggregate, over c. \$40m (subject to fluctuations in the conversion rate).

The Board believes that the sale of the Disposed Businesses and the Sale Shares is in the best interests of the Group and its shareholders as a whole.

**Use of Net Cash Proceeds from the Transaction**

The net proceeds of the Transaction will be deployed to drive growth in the Group's networking and cybersecurity activities. This includes via:

- scaling the commercial pipeline by funding further proof-of-concepts with potential customers;
- accelerating R&D programmes to maintain the Group's technological product lead and integrate its core platforms for an enhanced offer and operational efficiency;
- investment in working capital to support anticipated growth; and
- strategic and disciplined M&A, focused on providing access to market and customers.

**Summary Transaction Details**

Under the terms of SPLAA, the Group will sell its entire interest in the Disposed Businesses – comprising six subsidiaries and an associated company (and including the subsidiaries of the Disposed Businesses) as detailed in 'Summary Information on the Disposed Businesses' below – to the Purchaser. The Group will also transfer to the Purchaser its rights and title to certain shareholder loans between the Disposed Businesses and the Group.

The consideration to be paid by the Purchaser under the SPLAA is \$13.3m, which will be paid in three equal instalments, with the first instalment to be paid at the closing of the Transaction, the second instalment to be paid no later than 18 months after the closing of the Transaction and the third instalment no later

than 24 months after the closing of the Transaction. The Group will contribute \$3.18m towards existing overdue liabilities of the Disposed Businesses, which will be satisfied by a reduction of the three payment instalments. In addition, if the Purchaser sells all or any of the shares or assets of the Disposed Businesses within two years of the closing of the Transaction and the net proceeds received by the Purchaser exceed the price attributed to the entities and/or assets in the SPLAA plus interest and certain management fees, the Group would be entitled to receive 50% of the difference. This does not apply to any subsequent sale of the Sale Shares.

Under the SSPA, Sunstring will sell the 96,794,500 Sale Shares to the Purchaser. The consideration to be paid by the Purchaser under the SSPA is 18.15p per Sale Share, totalling c. £17.6m, which is to be paid on completion in US dollars (with part of the sum to be paid in Israeli Shekels if the parties so agree at the time of payment) at the exchange rate prevailing on the day of payment.

The Purchaser has agreed to pledge the acquired ordinary shares of Sunstring (distinct from the Sale Shares) in favour of the Group, as a security in respect of the deferred instalments.

The Group has agreed to provide certain warranties and indemnities to the Purchaser in relation to the Disposed Businesses. In addition, should the Transaction complete, the Group will be bound by 24 months' non-compete and non-solicitation obligations in relation to the Disposed Businesses.

Sale of some of the Disposed Businesses is subject to rights of first refusal or tag along of minority shareholders in those businesses. Should these shareholders elect to exercise their rights, the structure of the Transaction will adjust accordingly. The Transaction is conditional on a corporate reorganisation relating to holdings in the Disposed Businesses. Should the Group fail to perform such reorganisation within 150 days, the Transaction may be terminated by either party. The Transaction may also be terminated by either party in the event of a material breach by the other party, which is not cured within agreed timeframes.

The completion of the Transaction is subject to shareholder approval at a general meeting and all other customary legal and regulatory requirements. It is also subject to, and conditional upon, the simultaneous consummation of both Agreements.

There are no key individuals that are significant to Continuing BATM that are departing with the Disposed Businesses.

### Summary Information on the Disposed Businesses

Summary information on the Disposed Businesses is as follows:

| Name of entity       | Country of incorporation | Principal activity                  | BATM ownership interest |
|----------------------|--------------------------|-------------------------------------|-------------------------|
| Adaltis SRL          | Italy                    | Medical diagnostics equipment       | 95.07%                  |
| Ador Diagnostics Ltd | Cyprus                   | Medical diagnostics IP company      | 41.30%                  |
| Einaudi 7            | Italy                    | Real estate holding company         | 100.00%                 |
| I.M. Becor SRL       | Moldova                  | Pharmaceutical product distribution | 51.00%                  |
| I.M. Elodi-Farm SRL  | Moldova                  | Pharmacy chain                      | 51.00%                  |
| I.S.E. SRL           | Italy                    | Medical diagnostics equipment       | 95.07%                  |
| Sunstring Ltd        | Cyprus                   | Investment holding company          | 100.00%                 |

For the financial year ended 31 December 2025, the Disposed Businesses (excluding Ador Diagnostics Ltd ("ADOR"), which is an associated company) generated revenue of \$54.4m, adjusted\* operating profit of \$2.2m, adjusted\* net profit of \$0.4m and had net assets at year-end of \$30.0m. In accordance with

accounting standards, these figures reflect 100% of each entity's results as opposed to the percentage of 51.00% or more that corresponds with BATM's ownership interest.

As set out in the Group's annual report and accounts for the year ended 31 December 2025, the Group's 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 due to the strategic decision to write-off its investment in ADOR.

\* Adjusted to exclude the 1) exceptional contribution to the operating profit of Sunstring of the \$14.1m capital gain from the sale during 2025 of the Group's diagnostics distribution business and 2) share of loss of a joint venture and associated companies and share of loss of financial balances of a joint venture and associated companies of \$18.2m.

### **Transaction Effects on the Group**

The Group notes that the Transaction, based on the financial results for the year ended 31 December 2025, is expected to have the following financial impact on the Group:

- The Disposed Businesses' revenue of \$54.4m in 2025 would no longer be contributing to the Group's results from the date of completion of the Transaction
- The Disposed Businesses' adjusted (as described above) net profit of \$0.4m in 2025 would no longer be contributing to the Group's results from the date of completion of the Transaction
- The Disposed Businesses' total assets of \$54.7m in 2025 would no longer be contributing to the Group's results from the date of completion of the Transaction
- The Disposed Businesses' total liabilities of \$24.7m in 2025 would no longer be contributing to the Group's results from the date of completion of the Transaction

In addition, following completion of the Transaction, the Group will have significantly streamlined its operations. It would have one remaining non-core subsidiary – namely, its environmental monitoring business in Hungary – which it expects to enter into an agreement to sell in the near term.

Details of the risks to BATM as a result of the Transaction are set out in Appendix 1 (Additional information) of this announcement.

### **Transaction Effects on Voting Rights in the Group**

In accordance with Israeli law, as the Sale Shares are currently held by a subsidiary of the Group (being Sunstring), they do not have any voting rights (section 309(b) of the Israeli Companies Law). As a result, on completion of the Transaction, the total number of Ordinary Shares with voting rights in BATM is expected to increase to 436,874,184 Ordinary Shares. This would be the figure used by shareholders as the denominator for the calculations by which they would determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Group under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

### **UK Listing Rules**

Due to the size of the gross assets of the Disposed Businesses in relation to the gross assets of the Group, which exceeds 25%, it constitutes as a significant transaction for the purposes of the UK Listing Rules of the Financial Conduct Authority (the "UKLRs") and is therefore notifiable in accordance with UKLR 7.3.1R and 7.3.2R. The Group will provide the requisite 7.3.2R disclosures in due course. In accordance with the UKLRs, the Transaction is not subject to shareholder approval. However, to provide shareholders with the opportunity to exercise their right to inform corporate strategy, the Board has decided that the Transaction will be conditional, *inter alia*, upon approval by the Group's shareholders, which will be sought at a general meeting to be convened by the Group.

## Enquiries

|                                                                            |                  |
|----------------------------------------------------------------------------|------------------|
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*Certain information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 ("MAR") as applied in the United Kingdom. Upon publication of this announcement, this information is now considered to be in the public domain.*

### 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 the Group's 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.*

## Appendix 1 – Additional Information

### Risks

The risks disclosed below are those which the Board of BATM considers are material risks related to the Transaction. The risks described below are not set out in any order of priority, assumed or otherwise. There may be other risks of which the Board is not aware (or which it believes to be immaterial) and which have or may have a material and adverse effect on the business, financial condition, results of operations or future prospects of the Group or of Continuing BATM. Shareholders should carefully consider the risks and uncertainties described below, together with all other information contained in this announcement.

#### *Risks relating to the Transaction*

##### (a) Transaction may not proceed to completion

Completion of the Transaction is subject to certain conditions in the SPLAA and the SSPA including, among other things, a corporate reorganisation relating to holdings in the Disposed Businesses and the approval of the shareholders of the Group. There can be no assurance that the conditions will be satisfied and, accordingly, that completion of the Transaction will take place.

If completion of the Transaction does not occur, the Group will not receive the net cash proceeds. Further, some other costs incurred by the Group in connection with the Transaction (such as legal, other advisory

fees and administrative costs) would be incurred without the receipt of those net cash proceeds. There are no break fee arrangements.

(b) Transaction may change due to realisation of rights of first refusal/tag along

Sale of some of the Disposed Businesses is subject to rights of first refusal or tag along of minority shareholders in those businesses. Should these shareholders elect to exercise their rights, the structure of the Transaction will adjust accordingly. Nonetheless, the Transaction is valid whether they elect to exercise their rights or not. Also, if they decide to purchase the Group's interests in those businesses, the Group will receive the consideration for these interests from these minority shareholders instead of from Mr. Dor.

(c) Exposure to liabilities and restrictions under the SPLAA and the SSPA

The SPLAA and SSPA contain obligations in the form of warranties, indemnities, certain pre-completion undertakings and a number of customary post-completion restrictive covenants in favour of the Purchaser. The Group has taken steps to minimise the risk of liability through customary limitations on liability and sought to ensure that the restrictive covenants will not impact the Continuing BATM business. However, the limitations on liability will not apply in all scenarios and any liability to make a payment arising from a successful claim by the Purchaser under the SPLAA could reduce the consideration and have an adverse effect on the Group's business, results of operations, prospects and financial condition. Similarly, restrictive covenants, including non-compete, non-solicit and non-disparagement obligations, applicable to the Group could also have an adverse effect on its ability to pursue future opportunities and therefore its business, results of operations, prospects and financial condition. As the Group's strategy is to focus on its core businesses, the Board does not expect these limitations, which refer to the fields in which the Disposed Businesses operate, to materially impact Continuing BATM.

The Group, assisted by experienced M&A lawyers, has negotiated the terms of these provisions to minimise the risk of liability under them.

(d) Failure to receive post-completion payments

Out of the Transaction consideration, approximately \$28m is to be received upon completion, and the remainder (including the potential upside) is to be received over the following two years. Future payments may not be received, and the Group may fail to collect them. To mitigate this risk, the Group will receive a pledge over the ordinary shares of Sunstring, which will have 100% ownership of the other Disposed Businesses, and certain limitations on the buyer's power to extract cash or assets from Sunstring will apply. In addition, the Group's contribution towards the liabilities of the Disposed Businesses will be paid by means of a set-off from the future consideration payments, and therefore if the future payments are not received the set-off will not occur.

*Material new risks to Continuing BATM*

(a) Continuing BATM operations will be less diversified and more susceptible to specific risks, including greater concentration risk and lower revenue

Following completion of the Transaction, the Continuing BATM business will be more focused which could increase the Group's exposure to market fluctuations or downturns within its remaining core businesses. Without the benefit of the revenues of the Disposed Businesses, Continuing BATM revenue will be lower and its overall financial performance will depend more on the performance of each of its continuing businesses and the success of its business strategy.

(b) Transaction may have a disruptive effect on Continuing BATM

The Transaction has required, and will continue to require, substantial amounts of investment, time and focus from the management team and employees of the Group that could otherwise be spent operating Continuing BATM in the ordinary course. Key managers and employees may become distracted by the Transaction and, accordingly, decision-making and performance by Continuing BATM may be delayed, deferred or otherwise impacted. The impact is likely to continue beyond the completion of the Transaction. The disruption could be prolonged if completion of the Transaction is materially delayed or due to post-completion activities related to the Transaction.

(c) Reinvestment of proceeds

The deployment of the net proceeds of the Transaction carries inherent risks, including failure to achieve results or goals of investment in R&D, growth or acquisitions.

(d) Following completion of the Transaction, the Purchaser will hold approximately 22% of the Group's issued share capital and voting rights

Subject to completion of the Transaction, the Board welcomes Mr. Dor to the shareholder register and, through their engagement with him, is satisfied that he is supportive of the Group and shares the Board's vision for the Group, and believe that the Transaction is in the best interests of the Group and its shareholders as a whole. Nonetheless, such a significant shareholding carries inherent risks.