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24 August 2026

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

Interim Results

Strong operational performance and significant strategic execution

BATM (LSE: BVC; TASE: BVC), a global provider of advanced network infrastructure and cybersecurity technologies, announces its interim results for the six months ended 30 June 2026.

Financial Highlights

$m	H1 2026	H1 2025	
		Adjusted(1)	Reported
Revenue	41.7	39.7	60.4
Gross profit	14.6	13.9	19.8
Gross margin	34.9%	34.9%	32.7%
Adj. operating profit (CER)(2)(3)	0.7	0.4	2.0
Adj. operating profit(3)	0.2	0.4	2.0
Adj. EBITDA (CER)(2)(3)	2.2	1.7	4.0
Adj. EBITDA(3)	1.6	1.7	4.0

- Cash and short-term investments at 30 June 2026 were $22.5m (31 December 2025: $23.4m)

(1) Results for continuing operations adjusted to exclude the businesses that were divested during 2025 (Progenetics, Zer Laboratories and A.M.S 2000 Trading Impex)
(2) Constant exchange rate: the results if the exchange rate for H1 2026 was the same as that prevailing in H1 2025
(3) Adjusted to exclude amortisation of intangible assets, share-based payments and in H1 2025 exceptional expenses related to corporate activity

Operational Highlights

- Positive H1 2026 performance, in line with management's expectations, with strong growth at BATM Networks and increasing momentum at BATM Cyber
- Significant progress on strategy to transform BATM into a focused, high-growth and higher-margin technology business centred on secure managed networking and advanced cybersecurity, including quantum-era-ready encryption:
  - Most notably, entered an agreement for the potential sale of three of the four remaining non-core activities
- Continued to explore potential opportunities to add capabilities via strategic M&A

BATM Networks
- Revenue growth of 20% to $8.0m (H1 2025: $6.6m)
- New portfolio of Carrier Ethernet products continued to be well received with a significant increase in orders:
  - Initial order for $500k received from a new customer that is amongst the top 10 largest companies in the U.S. in the field of cable and broadband
- Further order received for Edgility, the Group's next-generation edge computing and network virtualisation platform, from a Tier 1 telecommunications company in Mexico – with this customer also purchasing from the new portfolio of Carrier Ethernet products
- Signed a new three-year service agreement, as announced post period, with a leading broadband and cable operator in the U.S. worth c. $1.3m as the Group focuses on growing recurring revenue

BATM Cyber

- Revenue of $4.8m (H1 2025: $5.1m) reflecting the timing of budget release by the Group's long-standing customer
- Significant milestone achieved with delivery of proof-of-concept for tactical encryption solution, which generated the receipt of an order post period – representing expansion into a new market
- Development completed of post-quantum virtual encryption solution for the commercial market, which is generating significant interest from the Group's target markets
- Selected as a partner in cybersecurity by FPT Israel, a company of FPT Corporation

Commenting on the results, Moti Nagar, Chief Executive Officer of BATM, said: "This has been a strong six-month period for BATM. We have made significant progress in reshaping BATM into a high-growth, higher-margin technology business focused on secure managed networking and advanced cybersecurity, most notably through the agreement for the proposed disposal of almost all our remaining non-core activities. This represents a major step in sharpening our strategic focus and building a stronger platform for future growth.

"In H1 2026, we delivered underlying growth in revenue and profit, excluding the contribution from businesses sold during 2025 and the impact of foreign exchange movements. This performance primarily reflects the benefits of the investments we have made in recent years in sales and marketing together with the launch and growing adoption of new products in our BATM Networks division. We also achieved important strategic milestones in BATM Cyber, including the development of new quantum-era-ready solutions for tactical encryption and a virtual encryption solution for commercial markets.

"Looking ahead, we remain on track to deliver underlying revenue growth for the full year in line with management's expectations, supported by our strong pipeline and orderbook. More importantly, we expect to exit 2026 as a substantially transformed business, with greater capacity to invest in growth and to create value for shareholders."

Enquiries

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Investor & Analyst Presentation

Moti Nagar, CEO, and Lior Miles, CFO, will be holding a webinar for analysts and investors on 7 September 2026 at 12.00pm BST. To register to participate or submit a question in advance, please use the following link: https://forms.gle/m8vqj3MC7kPvzjw96

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.

Strategic Execution

During the first six months of 2026, the Group made substantial progress in executing its strategy to transform BATM into a focused, high-growth and higher-margin technology business centred on secure managed networking and advanced cybersecurity, including quantum-era-ready encryption.

The most significant milestone was the agreement for the proposed disposal of three of the Group's four remaining non-core activities, comprising seven corporate entities (the "Disposed Businesses"). The Group also completed the sale of Laborator A.M.S 2000 SRL, its non-core analytical laboratory business, for cash consideration of $1.0m.

The proposed disposal of the Disposed Businesses – which is subject to closing conditions, such as approval by the Group's shareholders at the Company's general meeting to be held on 24 September 2026 and statutory and other third-party approvals – is for a cash consideration of $13.3m, representing a valuation of 33x the Disposed Businesses' adjusted net profit for 2025.

In parallel with signing the proposed disposal agreement, one of the Disposed Businesses entered into an agreement to sell 96,794,500 ordinary shares of NIS 0.01 each in BATM (the "Ordinary Shares") at a price of 18.15p per Ordinary Share. This represents a cash consideration of approximately £17.6m (c. $23.3m) and a 33% premium to the average closing price of the Group's Ordinary Shares on the London Stock Exchange during the 30 trading days preceding the signing of the agreement.

The two agreements are inter-conditional and have been entered into with the same purchaser. Together, they represent an aggregate cash consideration of approximately $36.6m, subject to fluctuations in the exchange rate. The proposed transaction therefore provides BATM with a significant opportunity to crystallise value, strengthen its financial position and accelerate investment in its core technology businesses.

Following completion, BATM will have substantially completed its exit from non-core activities and materially simplified its operating structure. Only one non-core subsidiary will remain: the Group's environmental monitoring business in Hungary, which the Board would consider selling should there be an appropriate opportunity.

This strategic repositioning enables BATM to concentrate its management expertise, capital and research and development resources on areas where it has the greatest opportunity to deliver sustainable, high-margin growth. The Group will emerge as a focused high-technology specialist providing mission-critical secure managed networking, quantum encryption and advanced cybersecurity solutions to governments, critical infrastructure providers and global enterprises. This will create a clearer investment proposition and position the Group to capture the growing demand for resilient connectivity, secure communications and next-generation cybersecurity solutions.

BATM Networks

$m	H1 2026	H1 2025
Revenue	8.0	6.6
Adj. gross margin*	50.7%	44.4%
Adj. operating loss*	(0.5)	(1.1)

* Adjusted to exclude amortisation of intangible assets, share-based payments and in H1 2025 exceptional expenses related to corporate activity

Performance

The Group delivered revenue growth of 20% in BATM Networks to $8.0m (H1 2025: $6.6m), which was driven by increased carrier ethernet sales. This represents an acceleration of revenue growth, with the Group having reported revenue up by 10% to $6.6m in the first half of 2025 compared with H1 2024. Gross margin improved significantly in H1 2026 to 50.7% (H1 2025: 44.4%) due to product mix. As a result of the increased revenue and gross margin, the adjusted operating loss for BATM Networks was reduced by 53% to $0.5m (H1 2025: $1.1m loss).

Commercial Momentum

The Group's new portfolio of Carrier Ethernet products, which offers speeds of 1G, 10G and 100G and which was fully launched during 2025, continued to be well-received by customers and orders for the products significantly increased. This reflects both the high-level specification of the products as well as the Group's success in navigating the global supply chain issues to be able to offer customers delivery within a shorter timeframe than many competitors. It also follows the Group's targeted investment in the previous year in its sales and marketing efforts, including the hiring of additional sales resources, with a particular focus on the North and Latin American markets and on large-scale telecommunications providers.

In particular, the Group received an initial order for one of its products from its new Carrier Ethernet portfolio from a new customer that is amongst the top 10 largest companies in the U.S. in the field of cable and broadband, serving more than 1.1 million residential and business customers across 24 states. The initial order, which is worth $500k, is expected to be delivered in the current financial year. Management believes there is scope for additional orders from this customer, and that this relationship will serve as a reference to drive new business with other leading operators.

During the period, the Group received a further order for Edgility under its three-year framework agreement, entered in December 2024, with a Tier 1 telecommunications company in Mexico. The customer is deploying Edgility to fully virtualise, orchestrate and manage at scale its enterprise connectivity services provided to enterprise and small- to medium-sized businesses. This latest order is for additional Edgility licences to cater for expansion of the customer's network. During the period, this customer also undertook a proof-of-concept with the new portfolio of Carrier Ethernet products, which resulted in an order worth c.$150k, reflecting the Group's focus on cross-selling opportunities.

Post period, the Group was pleased to sign a new three-year service agreement with a leading broadband and cable operator in the U.S. worth approximately $1.3m. The agreement, which is with a long-standing customer that is one of the largest cable operators in the US, extends the Group's provision of support services for the customer's network operations, which are based on the Group's Carrier Ethernet hardware platforms. As a service agreement, it carries a higher margin. It also demonstrates the Group's ability to translate product sales into recurring revenue and reflects the Group's focus on expanding the recurring element of its revenues.

BATM Cyber

$m	H1 2026	H1 2025
Revenue	4.8	5.1
Adj. gross margin*	44.3%	52.6%
Adj. operating profit*	0.2	1.0

* Adjusted to exclude amortisation of intangible assets, share-based payments and in H1 2025 exceptional expenses related to corporate activity

Performance

The Group continued to deliver against a strong orderbook in the BATM Cyber division. The slightly lower revenue compared with the first half of the previous year reflects the timing of budget release by the Group's long-standing government customer. However, the Group was encouraged by the receipt of its latest order for its tactical encryption platform as described below. The change in gross margin reflects product mix, including an exceptional margin in the previous year.

Commercial Momentum

During the first half of 2026, the Group continued to receive orders from its long-standing customer under several projects to develop next-generation cyber capabilities, including encryption for ultra-high-speed networks and tactical encryption. A significant milestone was achieved with the delivery during the period of a proof-of-concept of a tactical encryption platform under the development programme. This translated, post period, to the award of a supply order for the first unit of this platform with a total value of c. $1.6m, to be delivered in the current financial year. The platform, which is hardware based and quantum-era-ready, provides military-grade encryption and compliance with the highest security standards. This represents a significant expansion of the Group's cybersecurity offer and entry into a new market, as well as execution on its strategy to be able to offer customers a complete encryption solution to address all their requirements.

Another significant development was the completion of a post-quantum virtual encryption solution for the commercial market. This solution offers the same high-level encryption of data in transit over networks as the Group's hardware-based platform, but is deployed as a software solution. The product was demonstrated to potential customers in Germany and Vietnam during the period, with a focus on telecom and financial services companies.

The Group was 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. FPT Corporation established FPT Israel and introduced a portfolio of advanced technology partners in Israel – including BATM – aiming to expand its high-tech solutions ecosystem. This initiative also represents delivery on the Group's strategy to bolster its capabilities and expand its cybersecurity activities through entering partnerships.

Non-core Activities

$m	H1 2026	H1 2025(1)	
		Adjusted(2)	Reported
Revenue	29.0	28.0	48.6
Adj. gross margin(3)	30.4%	30.1%	29.5%
Adj. operating profit(3)	0.5	0.5	2.1

(1) The figures for H1 2025 have been restated to reflect the Group's diagnostics activities being reclassified as non-core

(2) Results for continuing operations adjusted to exclude the businesses that were divested during 2025 (Progenetics, Zer Laboratories and A.M.S 2000 Trading Impex)

(3) Adjusted to exclude amortisation of intangible assets, share-based payments and in H1 2025 exceptional expenses related to corporate activity

Following the sale, which completed in December 2025, of the Group's subsidiary that was a distributor of diagnostic products, the Group reclassified its remaining diagnostic activities as non-core. Accordingly, the Group's Non-core activities now comprise its diagnostics equipment businesses, its diagnostics IP company (an associated company of the Group), its pharmaceutical distribution and pharmacy chain businesses and its environmental monitoring business.

On an underlying basis, when excluding the contribution to H1 2025 from the businesses that were divested during 2025, the performance of the Group's non-core activities was stable.

As noted above, during the period the Group entered an agreement for the proposed sale of all of its Non-core activities excluding the environmental monitoring business. The Board would consider selling the environmental monitoring business should there be an appropriate opportunity.

Financial Review

$m	H1 2026	H1 2025	
		Adjusted(1)	Reported
Revenue	41.7	39.7	60.4
Gross profit	14.6	13.9	19.8
Gross margin	34.9%	34.9%	32.7%
Adj. operating profit(2)	0.2	0.4	2.0
Operating profit/(loss)	(0.5)	(0.6)	1.0
Adj. EBITDA(2)	1.6	1.7	4.0
EBITDA	1.4	1.0	3.3
CER(3)			
Adj. operating profit(2)	0.7	0.4	2.0
Operating profit	0.1	(0.6)	1.0
Adj. EBITDA(2)	2.2	1.7	4.0
EBITDA	1.9	1.0	3.3

(1) Results for continuing operations adjusted to exclude the businesses that were divested during 2025 (Progenetics, Zer Laboratories and A.M.S 2000 Trading Impex)

(2) Adjusted to exclude amortisation of intangible assets, share-based payments and in H1 2025 exceptional expenses related to corporate activity

(3) Constant exchange rate: the results if the exchange rate for H1 2026 was the same as that prevailing in H1 2025

Total Group revenue for the first half of 2026 was $41.7m compared with $60.4m for H1 2025. The reduction reflects the contribution to the first half of the prior year of the businesses that the Group sold during 2025 ("2025 Sale Businesses") as part of its strategy to exit non-core activities. On an adjusted basis to exclude the contribution to H1 2025 of the 2025 Sale Businesses, the Group's achieved an increase in revenue from $39.7m to $41.7m driven by growth in BATM Networks.

On a reported basis, gross margin improved from 32.7% in H1 2025 to 34.9%, reflecting the lower margin of the Group's non-core activities. On an adjusted basis to exclude the contribution to H1 2025 of the 2025 Sale Businesses, gross margin was maintained at 34.9% as improvement in BATM Networks offset a reduction in BATM Cyber.

Total operating expenses decreased to $15.1m (H1 2025: $18.7m), reflecting the contribution to H1 2025 of the 2025 Sale Businesses. This comprised sales and marketing expenses of $8.3m (H1 2025: $10.2m); general and administrative expenses of $5.2m (H1 2025: $6.9m); R&D expenses of $2.8m (H1 2025: $2.5m); and other operating income of $1.2m (H1 2025: $0.7m). The increase in R&D expenses reflects the Group's investment to maintain its technological product lead and integrate its core platforms. The increase in other operating income was primarily due to the capital gain from the disposal of the Group's Laborator AMS subsidiary during the period.

Adjusted EBITDA, excluding amortisation of intangible assets, share-based payments and exceptional expenses related to corporate activity, was $1.6m for H1 2026 compared with $4.0m for the first half of the prior year. On adjusted basis to exclude the contribution to H1 2025 of the 2025 Sale Businesses, adjusted EBITDA was broadly in line at $1.6m compared with $1.7m in H1 2025. However, on a CER basis and excluding the contribution to H1 2025 of the 2025 Sale Businesses, adj. EBITDA for H1 2026 grew by 25% from $1.7m in H1 2025 to $2.2m in H1 2026.

Similarly, adjusted operating profit, excluding amortisation of intangible assets, share-based payments and exceptional expenses related to corporate activity, was $0.2m for H1 2026 compared with $2.0m for the first half of the prior year. On adjusted basis to exclude the contribution to H1 2025 of the 2025 Sale Businesses, adjusted operating profit was $0.2m for the period compared with $0.4m for H1 2025. On a CER basis and excluding the contribution to H1 2025 of the 2025 Sale Businesses, adjusted operating profit increased to $0.7m for H1 2026 compared with $0.4m in H1 2025.

On a reported basis, the Group recorded a loss before tax of $1.6m (H1 2025: $0.6m profit) reflecting the contribution to H1 2025 of the 2025 Sale Businesses and currency impact as described above.

Income tax expense remained level at $0.4m (H1 2025: $0.4m) and share of loss of a joint venture and associated companies was significantly reduced to $0.07m (H1 2025: $0.2m). The Group's net loss for the period was reduced to $2.0m compared with a net loss of $4.3m for the first half of the prior year. This is due to the Group recognising a loss from discontinued operations in H1 2025 of $4.3m compared with $nil for H1 2026.

The Group generated cash from operations (before tax and interest) of $1.3m compared with cash used in operations of $2.7m in H1 2025. This primarily reflects changes in working capital.

The Group continues to have a strong balance sheet, with cash and short-term investments at 30 June 2026 of $22.5m (31 December 2025: $23.4m).

Outlook

The Group entered the second half of the year with increasing momentum across the business and remains on track to deliver results for the full year in line with market expectations, including revenue growth for the core business of networking and cybersecurity. This is based on the strong pipeline in BATM Networks, which was higher at the end of H1 2026 than H1 2025 and where revenues are typically weighted towards the second half of the year, and by the orderbook in BATM Cyber, although the timing of certain cyber orders could be affected by the Israeli national elections expected in October and any associated impact on the release of government budgets.

The Group also expects to make significant further progress in exiting its non-core activities. As announced, it has entered into an agreement for the proposed disposal of almost all its remaining non-core activities. These transactions will significantly simplify the Group's structure, reduce operational complexity and release additional resources for investment in the core business.

The net proceeds are expected to be deployed selectively to accelerate growth across the Group's networking and cybersecurity activities, including:

- scaling the commercial pipeline by funding 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;
- investing in working capital to support anticipated growth; and
- strategic and disciplined M&A, focused on providing access to markets and customers.

The Group expects to exit the year as a substantially transformed business, operating in the high-growth, high-margin markets of secure managed networking and advanced cybersecurity, with a simplified operating structure and a strengthened balance sheet. This will provide BATM with greater capacity to invest in its core technologies, pursue attractive growth opportunities and create long-term value for shareholders.

The Board believes that the Group's strategic repositioning, supported by the anticipated disposal proceeds and positive momentum across its core activities, materially enhances BATM's future prospects. Accordingly, the Board looks to the future with increasing confidence.

BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Six months ended 30 June	
	2026	**2025**
	$'000	**$'000**
	Unaudited	**Unaudited**
Revenues	41,729	60,362
Cost of revenues	27,154	40,598
Gross profit	**14,575**	**19,764**
Operating expenses		
Sales and marketing expenses	8,290	10,155
General and administrative expenses	5,190	6,860
Research and development expenses	2,812	2,464
Other operating income	(1,231)	(735)
Total operating expenses	15,061	18,744
Operating income (loss)	**(486)**	**1,020**
Finance income	364	382
Finance expenses	(1,503)	(838)
Profit (loss) before tax	**(1,625)**	**564**
Income tax expenses	(351)	(364)
Profit (loss) for the period before share of loss of a joint venture and associated companies	**(1,976)**	**200**
Share of loss of a joint venture and associated companies	(65)	(166)
Profit (loss) for the period from continuing operations	**(2,041)**	**34**
Loss for the period from discontinued operations	**-**	**(4,286)**
Profit (Loss) for the period	**(2,041)**	**(4,252)**
Attributable to:		
Non-controlling interests	(32)	(526)
Owners of the Company	(2,009)	(3,726)
Earnings (loss) per share (in cents):		
Basic and diluted from continuing operations	(0.59)	0.13
Basic and diluted from discontinued operations	-	(0.98)
Basic and diluted	(0.59)	(0.85)

BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2026	**2025**
	$'000	**$'000**
	Unaudited	**Unaudited**
Profit (loss) for the period	(2,041)	(4,252)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	(485)	6,721
Disposal of a foreign operation	-	4,005
Re-measurement of defined benefit obligation	(49)	-
Total other comprehensive income (loss) for the period	**(534)**	**10,726**
Total comprehensive income (loss) for the period	**(2,575)**	**6,474**
Attributable to:		
Owners of the Company from continuing operations	(2,500)	7,074
Owners of the Company from discontinued operations	-	(296)
Non-controlling interests	(75)	(304)
	(2,575)	**6,474**

BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	30 June 2026 $'000 Unaudited	30 June 2025 $'000 Unaudited	31 December 2025 $'000 Audited
Current assets			
Cash and cash equivalents	21,416	21,384	22,859
Trade and other receivables	28,012	35,648	28,836
Short-term investment in deposits and other securities	1,083	5,649	532
Inventories	26,313	33,459	28,567
	76,824	96,140	80,794
Non-current assets			
Property, plant and equipment	7,602	12,719	8,423
Investment property	604	604	604
Right-of-use assets	2,442	4,093	1,461
Goodwill	3,059	3,344	3,059
Intangible assets	10,743	9,173	10,176
Investment in joint venture and associate companies	3,992	20,726	4,032
Investments carried at fair value	1,585	1,220	1,585
Deferred tax assets	3,702	3,602	3,694
	33,729	55,481	33,034
Total assets	**110,553**	**151,621**	**113,828**
Current liabilities			
Short-term bank credit	4,895	4,731	8,514
Trade and other payables	27,846	35,007	28,842
Current maturities of lease liabilities	1,104	1,956	999
Tax liabilities	5,603	500	5,285
	39,448	42,194	43,640
Non-current liabilities			
Long-term bank credit	2,997	-	182
Long-term liabilities	3,980	6,789	4,408
Long-term lease liabilities	1,530	2,474	662
Deferred tax liabilities	-	21	-
Retirement benefit obligation	843	759	824
	9,350	10,043	6,076
Total liabilities	**48,798**	**52,237**	**49,716**
Equity			
Share capital	1,320	1,320	1,320
Share premium account	430,424	430,058	430,206
Reserves	(24,692)	(24,478)	(24,250)
Company's shares held by a subsidiary of the Group	(20,994)	-	(20,994)
Accumulated deficit	(322,773)	(306,131)	(320,715)
Equity attributable to the:			
Owners of the Company	63,285	100,769	65,567
Non-controlling interests	(1,530)	(1,385)	(1,455)
Total equity	**61,755**	**99,384**	**64,112**
Total equity and liabilities	**110,553**	**151,621**	**113,828**

BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital	Share premium account	Translation reserve	Other reserve	Company's shares held by a subsidiary of the group	Accumulated deficit	Attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2026	1,320	430,206	(17,188)	(7,062)	(20,994)	(320,715)	65,567	(1,455)	64,112
Profit for the period	-	-	-	-	-	(2,009)	(2,009)	(32)	(2,041)
Exchange differences on translating foreign operations	-	-	(442)	-	-	-	(442)	(43)	(485)
Re-measurement of defined benefit obligation	-	-	-	-	-	(49)	(49)	-	(49)
Total comprehensive income (loss) for the period	**-**	**-**	**(442)**	**-**	**-**	**(2,058)**	**(2,500)**	**(75)**	**(2575)**
Recognition of share-based payments	-	218	-	-	-	-	218	-	218
Balance as at 30 June 2026 (unaudited)	**1,320**	**430,424**	**(17,630)**	**(7,062)**	**(20,994)**	**(322,773)**	**63,285**	**(1,530)**	**61,755**

For the six months ended 30 June 2025

	Share capital	Share premium account	Translation reserve	Other reserve	Other comprehensive income attributable to disposal groups	Accumulated deficit	Attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2025	1,320	429,598	(24,300)	(6,773)	(3,620)	(302,162)	94,063	(1,081)	92,982
Profit for the period	-	-	-	-	-	(3,726)	(3,726)	(526)	(4,252)
Exchange differences on translating foreign operations	-	-	6,884	-	3,620	-	10,504	222	10,726
Total comprehensive income (loss) for the period	**-**	**-**	**6,884**	**-**	**3,620**	**(3,726)**	**6,778**	**(304)**	**6,474**
Dividend to non-controlling interests holding put option	-	-	-	-	-	(243)	(243)	-	(243)
Recognition of share-based payments	-	460	-	-	-	-	460	-	460
Capital reserve transactions with NCI	-	-	-	(289)	-	-	(289)	947	658
Disposal of subsidiary	-	-	-	-	-	-	-	(947)	(947)
Balance as at 30 June 2025 (unaudited)	**1,320**	**430,058**	**(17,416)**	**(7,062)**	**-**	**(306,131)**	**100,769**	**(1,385)**	**99,384**

BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENT OF CASH FLOW

	Six months ended 30 June	
	2026	**2025**
	$'000	**$'000**
	Unaudited	**Unaudited**
Net cash from (used in) continuing operating activities (Appendix A)	954	(3,293)
Net cash used in discontinued operating activities	-	(25)
Investing activities		
Purchases of property, plant and equipment	(210)	(816)
Increase of intangible assets	(1,054)	(1,216)
Investment in joint venture and associated companies	(227)	(793)
Purchases of deposits and financial assets	(1,804)	(4,608)
Proceeds on disposal of deposits and securities	1,276	4,899
Proceeds on disposal of property, plant and equipment	34	140
Proceeds on disposal of operation, net (see note 3)	919	885
Net cash used in investing activities – Continuing Operations	(1,066)	(1,509)
Net cash from investing activities – Discontinued Operations	-	40
Financing activities		
Lease payment	(775)	(997)
Bank loan repayment	(4,022)	(2,848)
Bank loan received	3,472	2,925
Dividend to non-controlling interests	-	(243)
Net cash used in financing activities – Continuing Operations	(1,325)	(1,163)
Net cash used in financing activities – Discontinued Operations	-	(83)
Net decrease in cash and cash equivalents	(1,437)	(6,033)
Cash and cash equivalents at the beginning of the period	22,859	25,898
Effects of exchange rate changes on the balance of cash held in foreign currencies	(6)	1,519
Cash and cash equivalents at the end of the period	21,416	21,384

BATM ADVANCED COMMUNICATIONS LTD.
APPENDICES TO CONSOLIDATED STATEMENT OF CASH FLOW

APPENDIX A

Reconciliation of operating profit for the period to net cash from (used in) operating activities:

	Six months ended 30 June	
	2026	**2025**
	$'000	**$'000**
	Unaudited	**Unaudited**
Operating profit (loss) from continuing operations	**(486)**	**1,020**
Adjustments for:		
Amortisation of intangible assets	424	297
Depreciation of property, plant and equipment and investment property	1,436	2,023
Capital loss (gain) of property, plant and equipment	(13)	21
Share-based payments	218	460
Capital gain from disposal of operations (see note 3)	(918)	(893)
Increase in retirement benefit obligation	8	-
Operating cash flow before movements in working capital	**669**	**2,928**
Decrease (Increase) in inventory	2,157	(791)
Increase in receivables	(382)	(5,911)
Decrease in payables	(949)	(1,356)
Effects of exchange rate changes on the balance sheet	(232)	2,431
Cash from (used in) operations	**1,263**	**(2,699)**
Income taxes paid	(429)	(572)
Interest (paid)/received, net	120	(22)
Net cash from (used in) in continuing operating activities	**954**	**(3,293)**
Net cash used in discontinued operating activities	**-**	**(25)**

Note 1 – General

These interim consolidated financial statements of the Group have been prepared in conformity with International Accounting Standard No. 34 "interim financial reporting".

In preparing these interim consolidated financial statements, the Group implemented accounting policies, presentation principles and calculation methods identical to those implemented in preparation of its consolidated financial statements as of 31 December 2025 and for the period ended on that date. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with International Financial Reporting Standards.

Note 2 – Earnings per share

Earnings per share is based on the weighted average number of shares in issue for the period of 441,369,184 (H1 2025: 441,026,659) including 4,495,000 ordinary shares held in treasury and 96,794,500 Company's ordinary shares held by a subsidiary of the group. The number used for the calculation of the diluted earnings per share for the period (which includes the effect of dilutive stock option plans) is 340,079,684 shares (H1 2025: 441,812,327).

Note 3 – 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.

Net assets disposed	**30 June 2025 $'000 Unaudited**
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 a 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.

Net assets disposed	30 June 2025 $'000 Unaudited
Assets associated with disposal group Held for Sale	1,235
Liabilities associated with disposal group Held for Sale	(1,847)
Net assets disposed of	**(612)**
Disposal of a 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	50
Deferred consideration	200
Cash and cash equivalents disposed	(10)
Total consideration	**240**

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

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

	30 June 2026 $'000
Net assets disposed	
Assets associated with disposal	485
Liabilities associated with disposal	(469)
Net assets disposed	**16**
Gain on disposal prior to related expenses	**967**
Expenses related to acquisition	49
Gain on disposal, net	**918**
Total consideration	**919**

Net cash inflow arising from disposal	
Consideration received in cash and cash equivalents, net	983
Cash and cash equivalents disposed	(64)
Total consideration	**919**

Note 4 – Discontinued operations

During 2024, the Board resolved to dispose of the eco-med operation, which constitutes part of the Group's non-core segment. 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).

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 made a cash payment of $3.6m which paid at the end of 2025.

financial statements and the final settlement amount. The results of the discontinued operation are as follows:

	Six months ended 30 June (Unaudited)	
	2026 $'000s	2025 $'000s
Revenues	-	519
Expenses from operation	-	1,667
Loss from discontinued operation	-	(1,148)
Loss from disposal of discontinued operation	-	(3,138)
Tax expenses	-	-
Loss for the period attributable to discontinued operations	-	(4,286)

Note 5 – Other alternative measures

The information set out below is for continuing operations:

Six months ended 30 June 2026 (Unaudited)	Reported results	Adjustments*	Adjusted results
		US$ thousands	
Gross profit	14,575	399	14,974
Gross margin (%)	34.9%	-	35.9%
Operating profit	(486)	642	156
EBITDA	1,374	218	1,592

Six months ended 30 June 2025 (Unaudited)	Reported results	Adjustments*	Adjusted results
		US$ thousands	
Gross profit	19,764	200	19,964
Gross margin (%)	32.7%	-	33.1%
Operating profit	1,020	987	2,007
EBITDA	3,340	690	4,030

(*) Adjusted to exclude amortisation of intangible assets, share-based payments and expenses related to corporate activity

EBITDA measurement

	Six months ended 30 June	
	2026 $'000 Unaudited	2025 $'000 Unaudited
Operating profit	(486)	1,020
Amortisation of intangible assets	424	297
Depreciation	1,436	2,023
EBITDA	**1,374**	**3,340**
Share-based payments	218	460
Exceptional expenses related to corporate activity	-	230
Adj. EBITDA	**1,592**	**4,030**

Note 6 – 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 Company, 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.

Following the disposal, at the end of 2025, of its subsidiary that was a distributor of diagnostic laboratory equipment as the Group executed on its strategy to focus on networking and cybersecurity, the Group reclassified its remaining diagnostic activities as non-core. Accordingly, the Group's Non-core activities now comprise its diagnostics equipment businesses, its diagnostics IP company (an associated company of the Group), its pharmaceutical distribution and pharmacy chain businesses and its environmental monitoring business. The segment information for H1 2025 for Non-core reported below has been restated to reflect that diagnostics has been reclassified as non-core. The reclassification of the business segments reflects the manner in which the CODM reviews the Company's operations.

The principal products and services of each of these segments are as follows: Networking – 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). Non-core – 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 and distribution of pharmaceutical and environmental monitoring products and diagnostic tests, and the production of eco-friendly pathogenic waste treatment solutions for medical, agricultural and pharmaceutical applications.

The segment information reported below is for continuing operations.

Six months ended 30 June 2026 (Unaudited)

	Networks $'000	**Cyber $'000**	**Non-core $'000**	**Total $'000**
Revenues	7,967	4,761	29,001	41,729
Gross profit	3,656	2,110	8,809	14,575
Operating profit/(loss)	(988)	127	375	(486)
Net finance expenses				(1,139)
Loss before tax				(1,625)

Six months ended 30 June 2025 (Unaudited)

	Networks $'000	**Cyber $'000**	**Non-core $'000**	**Total $'000**
Revenues	6,621	5,121	48,620	60,362
Gross profit	2,782	2,696	14,286	19,764
Operating profit/(loss)	(1,422)	790	1,652	1,020
Net finance expenses				(456)
Profit before tax				564