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25 June 2020

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

Business and Trading Update

BATM (LSE: BVC; TASE: BVC), a leading provider of real-time technologies for networking solutions and medical laboratory systems, provides the following business and trading update.

Further to the Group's announcement of 30 April 2020, in which BATM provided an update on the impact of the COVID-19 outbreak on its two divisions, the Group is pleased to report that the Bio-Medical division has performed exceptionally well throughout the first half of the year. This has been based on several initiatives, such as the sale of antigen and antibody testing kits to health authorities in various countries as well as the sale of critical care ventilators. The Networking & Cyber division was only slightly impacted by COVID-19 in Q1 2020, with sales remaining higher than in Q1 2019. As previously noted, there was some slowdown in this division in the early part of Q2 2020 as lockdowns commenced across the globe. However, since late May 2020 this division has seen a return towards normal trading as some customers who had temporarily postponed certain projects have commenced discussions and, as lockdown measures are increasingly lifted, the division is recommencing the activities it could not perform previously due to the restrictions on travelling to the premise of a customer or a supplier. While it is still early days, this gives confidence to the management team that the full year impact of the pandemic on the Networking & Cyber division will now be minimal.

As a result of the considerable growth in the Bio-Medical division, which has more than offset any loss of revenues in the Networking & Cyber division, BATM now expects to report a substantial increase in FY 2020 revenues, at least 25% higher than FY 2019 and materially higher than market expectations. It also expects to report EBITDA significantly ahead of market expectations.

The growth in the Bio-Medical division is due to the substantial investment the Group has made in recent years to build a best-in-class diagnostics platform. This division is able to quickly provide solutions that include diagnostic kits for any new pathogen that appears and devices including diagnostic instruments, ventilators and pathogenic waste disposal units. As a result, this division was able to respond rapidly when it was first alerted to the potential outbreak of COVID-19.

In the first half, the Group was able to launch a new diagnostics antigen molecular (RTPCR) test kit to detect COVID-19 that underwent clinical verification and evaluation by leading universities and hospitals in February and received certification at the end of March 2020. Additionally, in May 2020, the Group launched ELISA lab serological test kits that diagnose if a patient has had COVID-19 by detecting antibodies against it present in their blood. Production and sales of both kits have been ramping up and the Group has shipped several hundred thousand test kits with a backlog of over a million orders still to be delivered.

In addition to the sales of the newly launched kits (reagents), the Group has received increased demand for its instruments (readers). During the summer months, the Group is adding further production capacity for its reagents and instruments to satisfy potential orders from the continued interest the Group is receiving from around the world.

As previously announced, the Group is in the process of developing, in partnership with Novamed, a rapid COVID-19 diagnostics antigen test kit for home-use, which is expected to be completed in the coming months with sales commencing in the fourth quarter of the year. The Group is also in the

advanced stages of development of unique solutions that are expected to be commercially released in September 2020 in anticipation of a second wave of several respiratory pathogens, particularly flu and coronavirus.

Finally, during the first half of 2020, the Group received an order of €29m (c. \$31m) from a European government to provide 1,000 critical care ventilators to support their response to COVID-19. The Group has made significant progress towards completing the delivery of the contract on time.

BATM is also pleased to announce that it has attracted significant talent into the business to manage the increased interest that is being received. In June 2020, it appointed former Roche Executive, Jeremy Moss, as its Global Head of Point of Care. Mr Moss, who will operate from the UK, has served various senior roles at Roche over the past 22 years, most recently Head of Management Centre European Agents (MCEA) and Senior Vice President Roche Centralised and Point of Care Solutions.

The Group continues to work hard to ensure its employees are fully supported in remaining safe, well and able to work. The Board believes that, with the actions taken to date in response to the pandemic along with the further work to be undertaken to achieve the Group's strategic objectives in 2020, BATM will continue to deliver shareholder value.

BATM will provide further details in its Interim Results announcement in August 2020.

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