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

Trading Update

BATM (LSE: BVC; TASE: BVC), a leading provider of real-time technologies for networking solutions and medical laboratory systems, provides the following update on its trading for FY 2022.

As stated in its interim results announcement of 24 August 2022, the Group entered the second half with sustained momentum and a significant backlog to be delivered against. BATM made solid progress in both of its divisions as business returns to normality post-pandemic, notwithstanding supply chain issues.

Networking and Cyber Division

In the second half of the year, BATM was delighted to announce a multi-year contract for its Edgility solution with UK-based CityFibre in the Networking unit. Work to date reinforces the Group's expectation that deployment and recurring revenues will scale meaningfully in the short term. The Group is also pleased that Edgility is fast being recognised internationally as a breakthrough solution and is winning several awards. Consequently, the interest in Edgility has seen a significant increase and the Group is in advanced discussions with several customers.

BATM's Cyber business also made good progress in the second half of the year as the need for cyber security increases daily due to the geo-political situation as well as increased organised criminal activity. As such, the Group's confidence in this unit remains high and it is optimistic of winning a substantial multi-year, multi-million dollar government contract, which would increase the revenues of this division in 2023 and beyond.

Bio-Medical Division

In the Diagnostics unit of the Bio-Medical division, the COVID-19 pandemic has demonstrated the capability and value of BATM's diagnostic IP and products. Whilst the transition from the peak pandemic revenues of 2021 introduced an element of volatility to the unit's trading, its performance in 2022 nonetheless indicates its brighter prospects for 2023. In particular, in 2022, the unit's sale of non-COVID diagnostics product saw a dramatic volume increase. From being practically non-existent in 2021, the Group expects to report low double-digit million dollar revenues for sales of its non-COVID diagnostic products this year.

Pandemics remain a genuine global concern and COVID remains a very live issue in Asia. The Diagnostic unit was informed that it is due to be awarded a major tender, with a value of \$25m, from a customer in Southeast Asia primarily for the delivery of COVID-19 testing kits, and the Group has been awaiting a signed contract. Whilst the Group has had good visibility on this project, given that it is now December, should the contract be received and signed, the revenue would be recognised in 2023 thereby impacting current year expectations for revenue by the corresponding amount and, accordingly, reducing FY 2022 EBITDA.

The Eco-Med and Distribution units of the Bio-Medical division have continued to perform in line with management's expectations.

BATM is profitable with a very strong balance sheet comprising both cash and investments in financial assets of approximately \$40m as well as property and valuable IP. Accordingly, the Board of BATM remains confident in the prospects for the business and continues to explore all options to deliver shareholder value.

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