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

ANNUAL FINANCIAL REPORT - DTR 6.3.5 Disclosure

Following the release on 6 March 2023 of the Group's preliminary results announcement for the financial year ended 31 December 2022 (the "Preliminary Announcement"), BATM announces that the 2022 Annual Report and Accounts has been published today. This document has been made publicly available on the BATM website (www.batm.com). The annual report can be found in the Investor Relations section under Financial Reports. The direct link is <http://www.batm.com/investor-relations/financial-statements/>.

In compliance with 9.6.1 of the Listing Rules, a copy of the 2022 Annual Report and Accounts will shortly be available for inspection at the FCA's National Storage Mechanism website: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

The primary purpose of this announcement is to inform the market about the publication of the Company's Annual Report and Accounts for the year ended 31 December 2022 (the "2022 Annual Report and Accounts").

The information below, which is extracted from the 2022 Annual Report and Accounts, is included solely for the purpose of complying with DTR 6.3.5 and the requirements it imposes on issuers as to how to make public annual financial reports. It should be read in conjunction with the Group's Preliminary Announcement. Together these constitute the material required by DTR 6.3.4 to be communicated to the media in unedited full text through a Regulatory Information Service. This material is not a substitute for reading the full 2022 Annual Report and Accounts. References to page numbers and notes to the accounts set out in the Appendices below refer to page numbers and notes to the accounts in the Group's 2022 Annual Report and Accounts.

The Preliminary Announcement includes an indication of the important events that occurred during the year and a condensed set of the financial statements.

The Group's auditor has reported on the accounts and its report is unqualified. The Independent Auditor's Report on the Group financial statements is set out in full on pages 67-70 of the 2022 Annual Report and Accounts.

APPENDIX A - DIRECTORS' RESPONSIBILITY STATEMENT

The 2022 Annual Report and Accounts contain a responsibility statement in compliance with paragraph 4.1.12 of the DTR. The directors' responsibility statement is set out on pages 64-65 of the 2022 Annual Report and Accounts for the Group. This statement is set out below in full and unedited text:

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 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.

APPENDIX B - RISKS AND UNCERTAINTIES

The principal risks and uncertainties are set out on pages 27-29 of the 2022 Annual Report and Accounts. The full and unedited text relating to these disclosures are set out below:

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 change
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	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.	Up

	economic conditions.		
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 main subsidiaries in the Group 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. This includes ensuring compliance with the latest TCFD requirements, which is being managed by working with a team of ESG consultants.	No change
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. In 2022, the Group undertook its first survey with its business unit leaders to help establish the level of physical and transitional risks resulting from climate change. This insight is now being used to enhance the Group's business continuity processes and responses.	Down
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	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. In addition, 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.	No change

	reliable supply partner. This could be resulting from market shortages, disruption due to global events and physical climate-related disruption of upstream supply chains.		
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 diversification of its end markets reduces its exposure to a large competitor in any one sector. 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.	No change
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.	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.	No change
Research & Development (R&D)*	There is a risk that R&D programmes overrun or do	With respect to its R&D, the Group's strategy has been to diversify its R&D operations among a variety of teams, internally and externally (through	No change

	not deliver the expected benefits.	universities and hospitals that carry out clinical tests) and by using different R&D funding sources – thus reducing the R&D risk. In addition, any significant new R&D projects are brought to the Board for consideration. Still, the Group considers certain level of risk as inherent to R&D activity, and views R&D activity as valuable to the Group despite that risk.	
Information security (including cyber security)*	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 cyber security tools and security procedures in place. These procedures include implementing security controls and staff training.	No change
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 the 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.	Up

* Risk categories that are considered to have elements related to climate change. For further information, please see the 'Strategy' and 'Risk Management' sections of the TCFD Report on pages 23 to 25.

- Ends -

Enquiries

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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 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.