

8 September 2014

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

BATM invests in *In Vitro* Diagnostics Device Company, Optical Diagnostics
Optical Diagnostics technology offers specific, sensitive, "within minutes" identification of bacteria

BATM Advanced Communications Limited (LSE: BVC; TASE: BATM), a leading provider of real-time technologies for the networked telecoms and medical laboratory equipment markets, is pleased to announce that it has agreed to invest up to \$450,000 in *in vitro* diagnostics device company, Optical Diagnostics.

Highlights of the Agreement

- Optical has developed a revolutionary process for rapid diagnosis, using photonic laser technologies, of micro-organisms based on their outer morphology.
- The process – applied through the Optidet[®] device – enables faster, lower cost and more reliable diagnostics compared with all known current technologies.
- BATM and Optical will conduct joint R&D, in the U.S. and Israel, to develop and launch the next prototype of Optidet[®].
- Of the agreed investment, \$200,000 is being paid upfront in cash and the remainder as milestones are achieved.
- BATM will own 20% of the issued share capital of Optical Diagnostics.

BATM and Optical have cooperated over the last two years, with the Group having built an early prototype of the device. Under the terms of the investment agreement, BATM will continue to conduct joint R&D with Optical, and will participate in developing and launching the next prototype, which will be presented at the Medica show in Dusseldorf, Germany in November 2014. In addition, BATM has been given exclusive rights to distribute the device in China and Russia. The semi-commercial prototypes are expected to be launched in late 2015, with full commercialisation scheduled for 2016 beginning with the U.S.

Benefits of Optidet[®]

- Optidet[®] is a diagnostics machine able to identify microbes, bacteria and yeast in the clinical laboratory – without the use of reagents.
- Currently, samples are collected from patients and sent to the clinical laboratory where the laboratory technician plates the sample on a primary, non-specific petri dish for 18-24 hours before identification can be made.
- With Optical Diagnostics, the technician picks up one colony from the dish and smears it on a disposable unit. The unit is then inserted into Optidet[®] and the result of specific bacteria appears on the screen within three minutes and at total a cost of under \$5.
- As such, Optidet[®] provides the clinical lab with an easy-to-use, rapid and low cost bacterial identification solution. This has the potential to save a mid-size hospital in the U.S. approximately \$22 million a year as well as generating much less waste. In addition, patients benefit from better care with quicker results.

Dr. Zvi Marom, CEO of BATM, said: “We’re delighted to have invested in Opticul Diagnostics. Opticul has invented a truly disruptive technology that is able to identify a type of bacteria in minutes instead of days. This investment is complementary to our diagnostics business and adds another technology offering to our portfolio. The cooperation with Prof. Israel and Dr. Gallya Gannot, who lead the Opticul team, has been excellent and we look forward to a very fruitful collaborative venture.”

Enquiries

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