7 December 2015

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

Diagnostics joint venture with Gamida group and cyber security contract extension

BATM Advanced Communications Limited (LSE: BVC), a leading provider of real-time technologies for networking solutions and medical laboratory systems, is pleased to announce that it has entered into an agreement with Gamida for Life ("Gamida"), an international group of companies focused on healthcare and life sciences, to establish a joint company, Ador, to progress the development and marketing of a unique, rapid-results molecular diagnostics system. In addition, BATM is delighted to announce that it has been awarded a $1m extension to a previously-announced cyber security contract.

Ador - Joint company with Gamida

Gamida, with headquarters in the Netherlands, is engaged in healthcare-related operations worldwide through a number of holding companies, including a renowned developer of high quality diagnostic kits and systems for the detection of infectious diseases and genetic screening.

Under the terms of the agreement, Adaltis, a wholly-owned diagnostics subsidiary of BATM, and Gamida will invest $1.5m respectively into the joint company, Ador, based on the attainment of defined milestones. Ador will prepare for production, and market, a novel nucleic acids molecular diagnostics platform (NAT), which has been jointly developed by Adaltis and Gamida. Several patents for the new platform have been granted in the US, and more applications are scheduled for next year. The new instrument, and a selection of reagent kits, are expected to reach the market before the end of 2016 – commencing with large European customers.

Marketed under the name 'NATEXpert', the new platform allows rapid, fully automated sample-to-answer one-step operation. The new system has the ability to test singular samples for a multitude of diseases. It is compact and mobile, and accepts multiple sample types. A key feature of the system is the combination of reduced testing and 'hands-on' operating time with its high multiplexing technology thereby lowering the cost of diagnostic tests, which the Group believes is a significant competitive advantage.

Cyber security contract extension

As announced on 2 July 2015, BATM, together with Celare, the Group's cyber security subsidiary, was awarded a significant contract as the sole supplier for the delivery of a cyber-security solution to a government defense agency. The Group has commenced supplying the cyber solution, and expects to complete delivery in Q1 2016. The Group has been awarded a further $1m under this contract to develop future platforms and design modifications to broaden the applications. The total contract value to date is approximately $4.7m, which the Group expects to increase to over $10m by 2017.

Dr Zvi Marom, Chief Executive Officer of BATM, said: "We are pleased that our Diagnostics and Cyber business units are demonstrating significant progress and today's announcement is a good indicator of the substantial prospects for our future. In the Diagnostics field, we are winning contracts, and being asked to partner with leading players, because we have the competitive advantage by offering smaller, more advanced diagnostics machines that provide faster, comprehensive and more cost effective results than what currently exist in the market. We look forward to developing more products based on this patented technology and to updating the market in due course.

"We are also delighted to have received an extension to our sole-supply cyber security contract. The trust of this customer in the quality of our solution and their willingness to finance modifications that will enable wider use of the platform gives us great confidence in the strength of our unique offer. With the increasing threat of cyber-attacks, we believe that the demand for our technology will continue to grow and that we will gain several new strategic customers."

Enquiries

BATM Advanced Communications	
Dr Zvi Marom, Chief Executive Officer	+972 9866 2525
Moti Nagar, Chief Financial Officer	
finnCap	
Stuart Andrews	+44 20 7220 0500
Shore Capital	
Pascal Keane	+44 20 7408 4090
Luther Pendragon	
Harry Chathli, Claire Norbury	+44 20 7618 9100