

25 January 2016

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

**BATM Acquires Green Lab Hungary Engineering Ltd**

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 (the "Agreement") to purchase the entire issued and to be issued share capital of Green Lab Hungary Engineering Ltd ("Green Lab"), a Hungary-based developer and distributor of analytical instruments, for a total consideration of \$3.8 million payable in cash over a three-year period (the "Acquisition").

**Overview of Green Lab**

Green Lab, headquartered in Budapest, Hungary ([www.greenlab.hu](http://www.greenlab.hu)), was founded in 1996 and has become one of the leading distributors of analytical instruments for environmental and industrial sectors. The company has exclusive relationships in Hungary with some of the most prominent operators in the industry.

In addition to supplying analytical laboratory instruments, Green Lab provides emphasis on development, sales and support of environmental measuring systems. Green Lab unaudited revenues for full year 2015 amounted to \$3.3 million and operating profit was \$0.62 million. At 31 December 2015, Green Lab's unaudited gross assets amounted \$1.9 million. The company has been profitable for the past five years. The Acquisition is expected to be earnings accretive in the financial year ending 31 December 2016.

**Rationale for the Acquisition**

The Acquisition is in line with the Group's stated strategy of becoming a prominent participant in the markets in which it operates. The primary reasons for the Acquisition are:

- Green Lab operations are expected to be synergistic with BATM's Sterilisation Unit operations in Hungary and to provide an extensive network for the Group's products
- It is expected to increase activity in the Group's ECO unit, which focuses on agri-business applications and operates out of Hungary
- The Green Lab distribution network will be complementary to BATM's analytical instruments distribution in Romania, which the Board believes will strengthen the Group's medical business

**Terms of the Acquisition**

Under the terms of the Agreement, the Group will pay the shareholders of Green Lab an amount of \$3.8 million, in four tranches over a three-year period from the closing date, for the entire issued and to be issued share capital of Green Lab as follows:

- Upon the closing of the transaction, the Group will pay \$1.9 million in cash from its own resources in exchange for 50.1% of the share capital of Green Lab; and
- three deferred cash payments – payable at 12 months, 24 months and 36 months after the closing of the transaction – totaling a further \$1.9 million for the remaining 49.9%.

Dr. Judit Jeney, the founder and CEO of Green Lab, will join the BATM management team.

Dr. Zvi Marom, Chief Executive Officer of BATM, said: "We are pleased to have acquired Green Lab and welcome them to the Group. They have a tremendous amount of expertise and enjoy an excellent reputation in the industry. We believe that Green Lab will contribute both to the distribution business of BATM group in

the CIS countries and to our growing business in the ECO environment. We look forward to working together to enhance both companies' activities for the benefit of the Group.”

**Enquiries:**

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