30 June 2016

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

BATM's Adaltis to receive investment and enters into Strategic Joint Venture in China

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 its wholly-owned subsidiary Adaltis, a manufacturer of medical diagnostics equipment, has entered into an investment agreement and a strategic joint venture with its Chinese partner, Egens Biotechnology Company Ltd. ("Egens"), a leading biotechnology company combining biological material development and diagnostic reagent manufacturing.

Highlights of the transaction

- Egens will purchase RMB20m (approximately US$3m) of new shares in Adaltis, equivalent to approximately 5.5% of Adaltis' enlarged share capital, valuing Adaltis at approximately US$58m

- Egens has been granted an option to purchase a further 10%, which will be exercisable for 90 days after the approval of either Adaltis' 2016 or 2017 financial statements. The purchase price is expected to be based on a valuation of Adaltis at 5.5 times turnover

- Egens has deposited a non-refundable €200,000 with BATM to guarantee the execution of the deal within 90 days

- On the establishment of Adaltis Bio Med Company ("ABC"), a joint venture between Adaltis and Egens, in February 2014, Adaltis received a 40% interest in ABC with the balance of 60% interest held by Egens in consideration of its US$1m investment into ABC. As part of this transaction, Egens is to make a further investment, by way of a shareholder loan, to ABC of US$1.5m. Following this investment, Adaltis' interest in ABC will remain at 40%

ABC was established to provide Chinese customers with a multi-item imported diagnostic reagent product service for instruments and reagents.

BATM is pleased to announce that ABC has signed its first major distribution agreement with Sino Pharm – a prominent Chinese medical and healthcare group – to distribute Adaltis HCV (Hepatitis C) nationwide. China is the world's largest market for Hepatitis. BATM's diagnostics business is focused on developing compact, high accuracy, cost-effective products for small- to mid-size laboratories, including advanced genomic solutions that are being introduced to the market. In particular, the Group is targeting markets where many laboratories are mid-sized and dispersed in different localities – and hence require the solutions provided by the Group's diagnostics business.

In 2015 Adaltis was granted a licence by the China Food and Drug Administration of People's Republic of China for the importation, marketing and sale in China of its diagnostic kit for hepatitis C. The hepatitis C disease currently has no vaccine and it is estimated to kill approximately 350,000 to 500,000 every year. China is by far the world's largest nation affected by hepatitis C, with more than 60 million people estimated to be affected. Most of the diagnosis is undertaken by locally-developed instruments and reagents, with very few foreign companies providing solutions. As at 31 December 2015, the gross assets of Adaltis were US$12.5m.

Dr Zvi Marom, Chief Executive Officer of BATM, said: "We are delighted to see that our efforts and focus on the Chinese market are starting to bear fruit. China is one of the world's largest and growing markets with enormous potential for us. We are pleased that our long-term partner has chosen to deepen our relationship by investing in the joint venture and Adaltis, which we believe will facilitate us gaining more market share. This agreement with Egens as well as the agreement with Sino-Pharm are the first of several steps to be taken in our long-term plan for China, which we believe will be a major market of our Biomed solutions.

"Our Board is mindful of unlocking the true worth of the Group and this transaction, valuing Adaltis currently at $58m, demonstrates this. With other thriving businesses within the Group as well as a valuable property portfolio, the Board continues to explore ways to realise the value that exists within the Group and looks forward to updating the market in due course."

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	
Mark Percy, Anita Ghanekar	+44 20 7408 4050
Luther Pendragon	
Harry Chathli, Claire Norbury	+44 20 7618 9100