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**15 December 2020**

**BATM Advanced Communications Limited**  
(“BATM” or “the Group”)

**Update on Ador Diagnostics**

*Ador develops new RCA technology to provide diagnostics results in under 30 minutes  
Investment of \$10m to expedite RCA progress*

BATM (LSE: BVC; TASE: BVC), a leading provider of real-time technologies for networking solutions and medical laboratory systems, is pleased to provide the following progress update on its Ador Diagnostics S.r.l. (“Ador”) associate company. Ador is developing the NATlab molecular biology solution that provides rapid sample-to-answer diagnosis of bacterial, viral or fungal infections using DNA or RNA sampling.

***Development of innovative RCA-based diagnostics***

Ador has developed a new innovative technology based on the polymerase chain reaction (“PCR”) process as well as an isothermal method called rolling circle amplification (“RCA”) to enable NATlab to increase the speed of providing sample-to-answer diagnostics to under 30 minutes.

RCA-based molecular diagnosis offers significant advantages compared with the PCR process. Due to the different methods for replicating the genetic material in a sample, RCA is less prone to errors and the reaction with the test material occurs in c. 15-20 minutes compared with c. 60-90 minutes for PCR. As a result, the NATlab system will now be able to provide test results in a significantly shorter amount of time and with greater accuracy than first envisaged.

The NATlab can analyse several pathogens (currently up to 400) at the same time thus enabling it to detect all the possible pathogens associated with diseases such as meningitis, sepsis and respiratory diseases. By accurately detecting the right strain of a disease, the correct treatment can be started immediately – something that is not possible with the PCR methods that exist today. In addition, the development timeframe for the NATlab to be able to test for new pathogens is up to 10 times shorter than for existing solutions, which would be a significant advantage during epidemics and pandemics of a novel disease.

The NATlab system consists of a benchtop stackable or daisy chained analyser and disposable cartridges. The patented cartridges contain a carbon array, which is where the testing of a DNA or RNA sample – whether in blood, urine or any other bodily liquid – occurs. The carbon array system enables Ador to print the core of the cartridge, which makes it far more cost effective than any known system. Several NATlabs can be cascaded or stacked and report results to each other via advanced AI-based systems. The results can be stored locally or on private or public clouds, with an option to integrate cyber security protection provided by the Group’s Celare business or third parties to ensure the confidentiality of the results.

Ador has successfully incorporated PCR in the carbon array and has a working prototype of the NATlab system. It is now in the advanced stages of incorporating RCA in the carbon array and is working to complete the development of a full system based on this process, which it expects to be ready for in-hospital trials in H1 2021. Several universities and hospitals, mainly in the UK, Europe, Israel and the USA, are co-operating with Ador on this unique development.

The Boards of Ador and of BATM believe that there is a substantial market opportunity for an RCA-based sample-to-answer solution that is able to be used at the point of care as well as in laboratories for the diagnosis of infectious disease. The speed and accuracy of identifying an infection can be vital in providing the correct treatment and in containing potential disease outbreaks. As a result, Ador has taken the strategic decision to focus its resources on developing this ground-breaking technology while continuing to advance its PCR-based NATlab system.

***Investment of \$10m into Ador***

To expedite the development of the new RCA-based system, the Group and all its partners in Ador have invested an additional amount of \$10m, of which BATM has contributed \$3m, pursuant to an amendment to the investment agreement announced on 28 January 2019. Following this additional investment, the Group's shareholding in Ador is 36.7%. The Group's partners continue to have an option (on the same basis as previously disclosed) to invest a further \$10m in Ador.

**Dr. Zvi Marom, Chief Executive Officer of BATM, said:** "We are very excited about this ground-breaking technology, developed in Ador, which will enable the accurate diagnosis of infectious diseases in less than 30 minutes. Alongside making great progress with our PCR-based NATlab system, despite the challenges of the pandemic, we are continually conducting research into new and advanced technologies of the future. We believe RCA can revolutionise the diagnosis of infectious diseases and we look forward to using this new funding to rapidly take this innovative technology to the next stage.

"The way that we have been able to react quickly to advance this new technology, despite the COVID-19 pandemic, is testament to the effort and investment BATM has made over the last nine years in developing novel technologies for rapid detection of infectious diseases. It is also the reason why there is great interest in our achievements so far."

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