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

Substantial traction achieved in NFV market with formation of key partnerships

Management believes its total addressable market for network function virtualisation based on these partnerships to be worth c. US\$200m over the next three years

BATM Advanced Communications Limited (LSE: BVC), a leading provider of real-time technologies for networking solutions and medical laboratory systems, announces that Telco Systems (“Telco”), a high-end software development and design business within the Group’s Networking & Cyber division, has established partnerships with a number of leading telecoms organisations with the respective partners offering joint solutions for network virtualisation. This represents a significant advancement of BATM’s strategy to leverage the telecom industry transition from hardware to Network Function Virtualisation (“NFV”) and Software-Defined Networking (“SDN”).

The partnerships, which have been established in recent months, include leading providers of central processing unit (“CPU”) technology, white box hardware and across a range of virtual network functions, such as:

- CPU: Telco is the only worldwide software vendor to provide NFV functionality to Arm architecture and all Intel platforms
- White box: NexCom, Advantech, AAeon and Lanner
- Software-defined wide-area network (SD-WAN): Silverpeak
- Firewall: TrendMicro
- vRouter: Cisco, Riverbed and 6WIND
- Network performance monitoring: Certes and Netrounds
- Network orchestration: Netcracker

The Group’s management believes that its total addressable market specifically for NFV applications that it can target through these partnerships is worth approximately US\$200m over the next three years as the industry develops. The Group intends to establish further partnerships in due course and expects the value of its addressable market to grow accordingly.

The latest milestone is the launch, together with 6WIND, a high-performance networking software company and leader in the vRouter market, of the industry’s first vRouter for software-based remote management of router services, that enables service providers to rapidly launch and remotely deploy and modify managed router services on a standalone basis or combined with additional virtual network functions. The new vRouter, which combines Telco’s NFVTime solution with 6WIND’s Turbo Router, is built on an open uCPE (universal Customer Premises Equipment) platform. uCPE is a networking solution that converts network functions from hardware to software, which, with competing solutions, is currently a long and expensive process, and in some instances not feasible. The solution introduced by BATM’s Telco addresses these limitations by being completely hardware agnostic – supporting multiple technologies, including Intel (the leading architecture for computers) and Arm (the leading architecture for mobile devices).

As a result, this open and agile service delivery platform can meet the growing demand from telecoms operators and managed service providers for solutions that offer increased performance, flexibility and cost savings on their networks, regardless of their hardware or what they may choose to use.

Dr Zvi Marom, Chief Executive Officer of BATM, said: “We are delighted with the progress that we have achieved in network function virtualisation, which is a key target growth-market for BATM’s networking and cyber division. With the establishment of these partnerships – with the leaders in their field – we are seeing our strategy come to fruition as our solutions can form part of any NFV and SDN applications. As a result, we are well-positioned to expand our sales in this market, which, based on our current partnerships alone, we estimate has a value of US\$200m for BATM over the next few years as the industry starts to implement the technology on a regular basis.”

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