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

**BATM signs agreement for joint development and strategic investment of over \$3m from a multinational semiconductor company for a differentiated NFV solution**

BATM Advanced Communications Limited (LSE: BVC), a leading provider of real-time technologies for networking solutions and medical laboratory systems, announces that its wholly-owned subsidiary Telco Systems (“Telco”), a high-end software development and design business within the Group’s Networking & Cyber division, has entered into a joint development agreement (“JDA”) with a leading multinational semiconductor and software design company (the “Partner”), to develop and market infrastructure solutions for network function virtualisation (“NFV”), with the Partner investing \$3m-\$3.5m into the project, which is planned to be delivered in phases over the next 18 months.

Dr Zvi Marom, Chief Executive Officer of BATM, said: “We are delighted to have signed this agreement with such a major player to develop a solution that will present a real challenge to the incumbent infrastructure offerings. This partnership reflects our shared belief in the opportunities presented by the expanding NFV market, especially given its relevance with the oncoming of 5G, and it is the foundation for what we expect to be a long and fruitful cooperation between the parties.

“The agreement is built not only on the unique and innovative nature of our NFVTime, but also on previous successful trials of our software on the partner’s architecture with SoC (System on a Chip) vendors. This JDA expands on that solution and we believe that it will be adopted by more SoC vendors using that same architecture. The fact that a world-leading semiconductor company has chosen to partner with BATM, including a financial commitment, validates the strength of our offering and together we will leverage their market position to target the many potential verticals for networking and edge computing solutions.”

The two parties will jointly develop Universal Customer Premises Equipment (“uCPE”) networking devices that will utilise the Group’s NFVTime plug-and-play software solution that enables NFV. The joint solution will be optimised for several new SoC platforms and will run a suite of virtual network functions (“VNFs”), including vRouter, vFirewall and SD-WAN. This solution will be the only NFV operating system able to operate on both Intel (x86) and Arm® architectures. The parties will also conduct joint business development and marketing of the new solution, and agree on a royalty arrangement that will be implemented when sales commence.

As a result of this partnership, the Group will be able to extend and enhance its NFV offering to provide a more wide-ranging and competitive solution, as well as seek to leverage the market presence of the Partner and its sales & marketing resources.

**Enquiries:**

|                                       |                |
|---------------------------------------|----------------|
| <b>BATM Advanced Communications</b>   |                |
| Dr Zvi Marom, Chief Executive Officer | +972 9866 2525 |
| Moti Nagar, Chief Financial Officer   |                |
|                                       |                |
| <b>Shore Capital</b>                  |                |

|                               |                  |
|-------------------------------|------------------|
| Mark Percy, Anita Ghanekar    | +44 20 7408 4050 |
|                               |                  |
| <b>Luther Pendragon</b>       |                  |
| Harry Chathli, Claire Norbury | +44 20 7618 9100 |

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.