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

BATM secures first tier 1 customer for NFVTime with multi-year licensing agreement
Leading international telecommunications provider adopts the Group's NFVTime solution for creating virtual networks

BATM (LSE: BVC; TASE: BVC), a leading provider of real-time technologies for networking solutions and medical laboratory systems, announces that it has signed its first tier 1 customer for its NFVTime virtual networking solution. The customer, which is a leading telecommunications provider to multi-national enterprises and communication service providers globally and is headquartered in Asia, has entered a three-year licensing agreement, which follows the completion of a successful proof-of-concept.

The customer will use the NFVTime operating system, which was developed by the Group's wholly-owned Telco Systems subsidiary, to create virtual networks for customers and for operators that its services on a wholesale basis. The Group will receive a licence fee for a minimum of three years for each deployment of NFVTime, with a separate deployment required for each end customer (whether direct or via an operator) that adopts the solution.

The Group believes that the potential market for NFVTime is substantial. This new tier 1 customer alone serves enterprise and wholesale customers, including hundreds of operators, in more than 160 countries and 3,000 cities across North and South America, Asia, Europe, the Middle East and Africa. In addition, as a software solution, NFVTime can be deployed remotely, is extremely scalable and carries a significantly higher margin than the Group's traditional carrier Ethernet products.

Network function virtualisation ("NFV") enables network functions to be run in software, with a single piece of equipment, rather than requiring multiple pieces of physical hardware. This reduces the time, cost and carbon footprint of service deployment and management. NFV can also be a key element in leveraging the benefits offered by 5G and Internet of Things. The Group believes it is well-positioned to benefit from the expected demand for NFV as NFVTime is one of few solutions that can operate on both Arm-based and Intel-based architectures (with this new tier 1 customer intending to operate NFVTime on Intel's x86 processor architecture).

Dr Zvi Marom, Chief Executive Officer of BATM, said: "This is extremely significant for BATM as our first tier 1 customer for our NFVTime solution. This agreement represents the achievement of a fundamental milestone in the execution of our NFV strategy, and is something we have been working towards for several years. It follows a successful proof-of-concept, like what we recently announced with Vodafone and Arm as well as many others, and we are making good progress towards the potential contract stage with those as well. We believe this agreement and the NFV market will prove lucrative for BATM.

"The market for NFV is substantial as network carriers look towards the rollout of 5G. Equally, COVID-19 has clearly demonstrated the value of being able to deploy and manage network services remotely. We believe that we are well-placed to succeed in this market as one of few companies able to integrate with both Arm and Intel architectures as well as having built an eco-system of Virtual Network Functions around NFVTime over the last few years. This new agreement, combined with the

recent successful completion of a proof-of-concept with Vodafone, gives us great confidence in the prospects for NFVTime and we look forward to reporting on our progress.”

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