NFWare, the Developer of Virtualized Networking Software, Raises $2M from Investors Led by Sistema VC

A network software vendor developing telco-grade virtualized IP routing technology with up to 40 times increase in traffic processing speed will use the new capital to expand to Europe and the US-markets

Madrid, Spain — 23 March, 2017 – NFWare, a developer of network software that allows the processing of traffic at the speeds of expensive hardware on standard x86 servers, today announced that it has raised $2M in new venture funding. The round was led by Sistema Venture Capital fund, with participation from existing investors including Maxfield Capital and Almaz Capital VC funds as well as Wayra, the accelerator of Telefonica Open Future_.

Technology Driven

The company's approach is based on NFV (Network Functions Virtualization) and SDN (Software Defined Networking) technology. NFV/SDN-based solutions allow migration of network infrastructure functions to a virtual environment shifting the networking industry away from the pre-packaged hardware towards software.

NFWare software-based networking technology significantly increases network speed for high-load traffic processing. It runs on standard x86 servers and handles the traffic at the speed of the most expensive network hardware from leading vendors: NFWare solutions enable a throughput of up to 200 Gigabits per second on single virtual machine on Internet-mix traffic. For telecom operators and data centers this approach provides a powerful combination of hardware-like performance and software-like flexibility. NFWare solutions work efficiently even on the critical core network areas and help operators to significantly reduce up to 70% of their network infrastructure costs.

Key Products

Virtual ADC (Application Delivery Controller): This is a load balancing solution that allows to significantly increased traffic processing speed for high-loaded projects and protects against DDoS attacks. Being able to handle up to 40 million connections per second per virtual machine, it is a best in class solution that is tens of times faster than analogues.

Virtual CGNAT (Carrier Grade Network Access Translation): This is solution for telco networks that helps to extend the life of an IPv4 network infrastructure, mitigate IPv4 address exhaustion and provide a seamless migration to IPv6. With 200 Gbit per second capacity, NFWare Virtual CGNAT is the fastest software-based solution on the market.

Efficient packet processing algorithms allow NFWare products to process more traffic on less hardware, which results in best cost-per-bit price. Services are offered on a pay-as-you-go model according to the number of subscribers or throughput.

Commercial Deployment

NFWare has successfully deployed its solutions in European operators' networks and has proven itself in projects for the largest telecom companies including Telefonica and Rostelecom. In February 2017, NFWare has announced a contract with internet giant Mail.Ru Group (one of the five largest Internet sites, based on the number of total pages viewed by comScore). In 2016, NFWare has won the Challenge Up! contest organized by Deutsche Telekom, Intel and Cisco.

The company was included in the top 50 list of prominent NFV-vendors by the research firm Technavio.

Quotes

"Virtualization technologies will become a foundation for building the next generation network infrastructure, where 5G and the Internet of Things will be the key drivers for NFV in the telecom industry. Therefore, our technologies are becoming particularly popular in the new reality. That's why we are going to strengthen our market position in Europe and to expand to the US market," says Alexander Britkin, NFWare founder and CEO.

"The volume of traffic in the world is growing exponentially. Telecom operators, internet companies, data centers have to continuously invest in enhancing the capacity of their network infrastructure. NFWare offers a technologically elegant and effective solution, allowing to significantly reduce the corporate costs and to increase the speed of traffic processing," says Alexey Katkov, Sistema_VC president.

Dor Skuler, NFWare Advisory Board Member and former GM/VP at Alcatel-Lucent where he led Cloudband Business Unit, the world's first platform for Network Functions Virtualization, added: "NFWare represents a next-gen networking vendor with "a software DNA". The team took the right approach to reinvent the networking stack from scratch for x86 platforms and leverage the full potential of commodity hardware and cloud to challenge traditional hardware status quo".

"NFWare brilliantly handles one of the operators' largest issues - network stress, triggered by significant increase in data use, by providing technology-driven network software. NFWare is a great example of how science-intensive companies are gaining momentum across the globe. This year we're looking forward to seeing some of the world's tech giants among NFWare's clients," said Alexander Turkot, Managing Partner at Maxfield Capital.

"We enjoyed seeing how the SDN Lab, established with our participation, produced breakthrough developments and then commercialized the outcome as a startup. We happily support the company in its follow-on financing," said Alexander Galitsky, Managing Partner of Almaz Capital.

"Telefónica Open Future_ has supported NFWare from the beginning. The relationship between NFWare and Telefónica is a perfect example of how a startup can help a big corporation to optimize its main resources and services, implementing the best and more innovative technology with a minor cost. We like this investment because we like very much the company and the innovative technology," said Ana Segurado, Global Manager of Telefónica Open Future_.

Extra details

According to Analysys Mason Group research firm, the market of network infrastructure virtualization solutions reached $2.4 billion in 2016, and by 2023 it could top $29 billion. The leading telecom operators are planning to virtualize the majority of their network by 2020.

About NFWare

NFWare, Inc. is a network vendor which develops world's fastest virtualized IP routing technology for telco networks and data centers. NFWare was established in 2014 as a spin-off startup from non-profit organization Applied Research Center for Computer Networks. Startup is alumni from Wayra, Telefonica's accelerator. The company runs offices in Russia, Spain and United States. For more information visit www.nfware.com

About Sistema Venture Capital

Sistema Venture Capital is a venture capital firm focused on deep tech startups (Internet platforms, AI/ML, VR/AR, Internet of Things (IoT), next-gen infrastructure (NFV, SDN). The fund was set up by JFSC Sistema, which has been investing in various technology segments for over twenty years; also Sistema is a main shareholder of MTS, one of the largest mobile operator in Russia and CIS. Sistema_VC portfolio includes MEL Science (www.melscience.com), VisionLabs (www.visionlabs.ru), Segmento (www.segmento.ru), Luden.io (www.luden.io), YouDo.com (www.youdo.com) and Ozon.ru (www.ozon.ru). For more information visit www.sistema.vc

About Maxfield Capital

Maxfield Capital is a cross-border venture capital fund investing in global information technology companies across US, Europe and Israel. We search for unique ideas, visionary entrepreneurs and new markets' niches. The fund has points of presence in New York, Tel Aviv, London and Moscow. Our original approach aims at creating global success stories by bridging the gap between high quality engineering and commercial execution. For more information visit www.maxfield.vc

About Almaz Capital

Since 2008 invests in early stage technology companies in high growth sectors. We connect entrepreneurs and engineering talent in emerging tech regions. Our investors include Cisco, the European Bank for Reconstruction and Development (EBRD), and International Finance Corporation (IFC, World Bank Group). The unique bridge-model fund with the offices in Silicon Valley, US, and in Moscow, Russia, focusing on

bringing startups from the Eastern Europe/CIS to the global market. Selected exits: Sensity to Verizon; AppScotch to App Annrie, Odin to Ingram Micro, nScaled to Acronis; Vyatta to Brocade; Qik to Skype; and Yandex IPO. Some investments: GridGain; Cinarra with SoftBank and Cisco; GoodData with Intel Capital; Hover; Content Analytics; MakeTime with Foundry; Starwind; CarPrice with Baring Vostok and Petcube. For more information visit www.almazcapital.com

About Telefónica Open Future_

Telefónica Open Future is Telefonica´s global platform designed to connect her to entrepreneurs, startups, investors and public and private partners around the world to capture innovation and business opportunities. Its goal is to support talent at all stages of growth through a comprehensive model for acceleration that is designed to connect talent with organisations, investors and companies. The programme incorporates all of Telefónica Group's open innovation, entrepreneurship and investment initiatives (Think Big, Talentum, Crowdworking, Wayra, Amérigo and Telefónica Ventures) through a global network that is open to participation by external partners that wish to develop their own entrepreneurial and investment strategies, and connect to large corporates. To date, more than 51,000 proposals have been analysed, over 1,600 startups have been accelerated and 700, invested. Telefónica Open Future_ is present in 17 countries and has committed to investment, with its partners, a total of 445 million euros. More info: https://www.open-future.org/en

Contacts

Alexandra Yartseva, Chief Marketing Officer at NFWare
ayartseva@nfware.com, +7 909 965-00-01

Anna Yanchevskaya, Communications Director at Sistema Venture Capital
ya@sistema.vc, + 7 903 676-35-00