

29 December 2020

ETHERNITY NETWORKS LTD.

("Ethernity" or the "Company")

Update on Chairman and Result of EGM

Ethernity (AIM: ENET), a leading supplier of data processing offload solutions on programmable FPGA (field programmable gate array) hardware for accelerating telco/cloud networks, announces an update on the Chairman position and that all resolutions proposed at its Extraordinary General Meeting ("Meeting") held earlier today were duly passed.

Update on Chairman

Further to the Company's announcement on 18 November 2020, following discussions with the Board, Graham Woolfman has agreed to continue in his role as Chairman beyond the end of this year up to the end of his formal notice period in mid-February 2021 while the Company progresses the process of recruiting a new Chairman. The Company will provide a further update in due course

Result of EGM

Following shareholder approval, the Company will issue 165,000 new ordinary shares of NIS 0.001 each in the Company ("Ordinary Shares") to Graham Woolfman, non-executive Chairman, following which he will be interested in 175,715 Ordinary Shares representing 0.37% of the Company's enlarged issued share capital, and 140,000 Ordinary Shares to Neil Rafferty, non-executive director, following which he will be interested in 147,143 Ordinary Shares representing 0.31% of the Company's enlarged issued share capital. In addition, a grant of 100,000 options in the Company to Mark Reichenberg, executive director, has been ratified. Further details were set out in the Company announcement on 19 November 2019.

Application will be made to the London Stock Exchange for 305,000 new Ordinary Shares to be admitted to trading on AIM ("Admission") and Admission is expected to occur on or around 6 January 2021. The new Ordinary Shares will, upon issue, rank pari passu with the existing Ordinary Shares in the Company.

Following Admission, the Company's enlarged issued share capital will be 46,947,410 Ordinary Shares. The Company holds no Ordinary Shares in Treasury. This figure of 46,947,410 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Each of the resolutions put to the Meeting were voted on by way of a poll. The results of the poll for each resolution were as follows:

#	Resolution	Votes FOR	%	Votes AGAINST	%	Total Votes Cast (excluding Votes WITHHELD)	Votes WITHHELD
1	Issue of ordinary shares to Graham Woolfman, non-executive Chairman	27,568,601	100%	0	0%	27,568,601	13,238,203

2	Issue of ordinary shares to Neil Rafferty, non-executive director	27,561,458	100%	0	0%	27,561,458	13,238,203
3	Award of options to Mark Reichenberg, director	27,568,601	100%	0	0%	27,568,601	13,238,203

NOTES:

Link Asset Services acted as scrutineer of the poll on all resolutions.

1. Proxy appointments which gave discretion to the Chairman of the Meeting have been included in the "For" total for the appropriate resolution.
2. Votes "For" and "Against" any resolution are expressed as a percentage (rounded to two decimal places) of votes validly cast for that resolution.
3. A "Vote withheld" is not a vote in law and is not counted in the calculation of the percentage of shares voted "For" or "Against" any resolution.
4. As at 22 December 2020, the Company's issued share capital consists of 44,138,404 ordinary shares with a nominal value of NIS0.001 each,

For further information, please contact:

Ethernity Networks David Levi, Chief Executive Officer Mark Reichenberg, Chief Financial Officer	Tel: +972 8 915 0392
Arden Partners plc (NOMAD and Joint Broker) Richard Johnson / Benjamin Cryer	Tel: +44 207 614 5900
VSA Capital Limited (Joint Broker) Andrew Monk, Corporate Broking Simon Barton, Corporate Finance	Tel: +44 20 3005 5000
Peterhouse Capital Limited (Joint Broker) Lucy Williams / Duncan Vasey / Eran Zucker	Tel: +44 20 7562 0930

About Ethernity (www.ethernitynet.com)

Ethernity Networks Ltd. (AIM: ENET) provides innovative, comprehensive networking and security solutions on programmable hardware for accelerating telco/cloud networks performance. Ethernity's FPGA logic offers complete Carrier Ethernet Switch Router data plane processing and control software with a rich set of networking features, robust security, and a wide range of virtual function accelerations to optimize telecommunications networks. Ethernity's complete solutions quickly adapt to customers' changing needs, improving time-to-market and facilitating the deployment of 5G and edge computing.

The notifications below are made in accordance with the requirements of the EU regulation on market abuse.

Template for notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them

1	Details of the person discharging managerial responsibilities / person closely associated
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a)	Name	Graham Woolfman				
2	Reason for the notification					
a)	Position/status	Director				
b)	Initial notification /Amendment	Initial notification				
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor					
a)	Name	Ethernity Networks Ltd.				
b)	LEI	213800LZJO33QBNXU496				
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted					
a)	Description of the financial instrument, type of instrument Identification code	Ordinary shares of NIS 0.001 nominal value each ISIN: IL0011410359				
b)	Nature of the transaction	Share based compensation				
c)	Price(s) and volume(s)	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>n/a</td> <td>165,000</td> </tr> </tbody> </table>	Price(s)	Volume(s)	n/a	165,000
Price(s)	Volume(s)					
n/a	165,000					
d)	Aggregated information	N/a – single transaction				
e)	Date of the transaction	29 December 2020				
f)	Place of the transaction	Off Exchange				

Details of the person discharging managerial responsibilities / person closely associated	
Name	Neil Rafferty
Reason for the notification	
Position/status	Director
Initial notification /Amendment	Initial notification
Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
Name	Ethernity Networks Ltd.

LEI	213800LZJO33QBNXU496				
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Price(s)	Volume(s)				
n/a	140,000				
Aggregated information	N/a – single transaction				
Date of the transaction	29 December 2020				
Place of the transaction	Off Exchange				

Details of the person discharging managerial responsibilities / person closely associated	
Name	Mark Reichenberg
Reason for the notification	
Position/status	Director
Initial notification /Amendment	Initial notification
Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
Name	Ethernity Networks Ltd.
LEI	213800LZJO33QBNXU496
Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
Description of the financial instrument, type of instrument Identification code	Options to subscribe for ordinary shares of NIS 0.001 nominal value each Ordinary Share ISIN: IL0011410359
Nature of the transaction	Award of options
Price(s) and volume(s)	

	<table border="1"> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> <tr> <td>n/a</td> <td>100,000</td> </tr> </table>	Price(s)	Volume(s)	n/a	100,000
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Aggregated information	N/a – single transaction				
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Place of the transaction	Off Exchange				