

14 December 2020

ETHERNITY NETWORKS LTD

("Ethernity" or the "Company")

Exercise of 20p Warrants by Shavit Baruch, director, and other warrant holders

Ethernity Networks (AIM: ENET.L), a leading supplier of data processing offload solutions on programmable FPGA (field programmable gate array) hardware for accelerating telco/cloud networks, announces that it has received notice to exercise warrants, at 20p per share ("20p Warrants"), to subscribe for a total of 862,503 new ordinary shares of NIS 0.001 each in the Company ("Ordinary Shares").

Included within the above is a notice from Shavit Baruch, VP R&D and director of the Company to exercise 166,667 20p Warrants, following which Shavit Baruch will have an interest in 5,000,000 Ordinary Shares, representing approximately 11.5 per cent. of the Company's enlarged issued ordinary share capital.

Following this exercise, a total of 1,783,340 20p Warrants remain issued and unexercised.

Application has been made to the London Stock Exchange for 862,503 new Ordinary Shares to be admitted to trading on AIM ("Admission") and Admission is expected to occur on or around 17 December 2020. The new Ordinary Shares will, upon issue, rank *pari passu* with the existing Ordinary Shares in the Company.

Total voting rights

Following Admission, the Company's enlarged issued share capital will be 43,569,487 Ordinary Shares. The Company holds no Ordinary Shares in Treasury. This figure of 43,569,487 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.

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 notification below is 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					
a)	Name	Shavit Baruch				
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	Warrants to subscribe for ordinary shares of NIS 0.001 nominal value each				
	Identification code	Ordinary Share ISIN: IL0011410359				
b)	Nature of the transaction	Exercise of warrants				
c)	Price(s) and volume(s)	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>20p</td> <td>166,667</td> </tr> </tbody> </table>	Price(s)	Volume(s)	20p	166,667
Price(s)	Volume(s)					
20p	166,667					
d)	Aggregated information	N/a – single transaction				
e)	Date of the transaction	13 December 2020				
f)	Place of the transaction	Off Exchange				