

10 March 2021

ETHERNITY NETWORKS LTD.

("Ethernity" or the "Company")

**Appointment of Non-Executive Chairman of the Board
and Notice of Extraordinary General Meeting**

Ethernity (AIM: ENET), a leading supplier of data processing offload solutions on programmable FPGA (field programmable gate array) hardware for accelerating telco/cloud networks, is pleased to announce the appointment of Joseph ("Yosi") Albagli as non-executive Chairman of the Board, with effect from today.

Yosi Albagli has over 30 years of experience in engineering, business strategy and management, and entrepreneurship in the communications industry. After spending ten years as an engineer at Israel Aircraft Industries and Tadiran Telecom, he co-founded and served as President and CEO of Tdsoft Ltd in 1994, leading the company from its foundation toward becoming the leader in V5 solutions. In 2005, he led a reverse merger with VocalTec (NASDAQ: VOCL) becoming President, CEO and a board member, growing the company's market share, and establishing it as a leader in Voice-over-IP technology.

Yosi also served as President and CEO of CTWARE Ltd., as a board member of ITGI Medical (TASE), and as President of the Satellite Communications division for Orbit Communication Systems (TLV: ORBI), where he changed the company's focus toward targeting high-end, complex solutions. Since he co-founded the company in 2013, Yosi has served as the Chairman of Over-Sat Ltd, which provides communications solutions for the maritime, airborne, and government markets. Yosi is a Cum Laude graduate of The Technion – Israel Institute of Technology with a BSc degree in Civil Engineering and a veteran of the Israeli navy, in which he taught electronics.

David Levi, Chief Executive Officer, said: "We are excited to welcome Yosi to the Company as the Chairman of The Board. Yosi brings not only proven executive leadership and skills but a vast wealth of industry knowledge that we are confident will play a significant role towards the Company achieving its goals."

Yosi Albagli, Chairman of the Board, said: "I am thrilled to be joining Ethernity and its outstanding team. I look forward to the challenges of the Board leadership and being able to contribute significantly and positively to the future growth and success of the Company."

Notice of General Meeting

Mr Albagli's remuneration includes a portion payable through the issue of Ethernity ordinary shares ("Ordinary Shares") which, under Israel Companies Law, requires the approval of Shareholders. Consequently, Ethernity gives Notice of an Extraordinary General Meeting ("EGM") of the Company, to be held at 9.00 a.m. (UK time) / 11.00 a.m. (Israel time) on 15 April 2021 at the Company's offices in Israel. The Company will use the opportunity of the EGM to also seek Shareholder ratification of Mr Albagli's appointment.

The Notice of EGM, together with a Form of Proxy (for Shareholders) or Form of Direction (for Depositary Interest holders), is expected to be despatched to Shareholders and Depositary Interest holders today, and will shortly be available to view on the Investor Relations section of the Company's website, www.ethernitynet.com.

Set out below is an extract from the Notice of EGM with details on the matters to be considered at the EGM. In light of the COVID-19 outbreak and to protect the health and wellbeing of all stakeholders, Shareholders and Depositary Interest holders are strongly encouraged to vote by Form of Proxy or by Form of Direction (as appropriate) rather than attending the EGM in person (should current restrictions be lifted). The Company will also be making available a facility for attendance by telephone.

A. Ratification of Mr. Yosi Albagli as Non-Executive Chairman of the Board of the Company

Mr. Albagli was appointed Chairman of the Board on 10 March 2021. In order to ratify this appointment, the approval of a simple majority of shareholders is required.

B. Chairman's Remuneration

Mr Albagli's annual remuneration includes a £15,000 portion which is payable through the issue of Ordinary Shares in lieu of cash ("Equity Portion").

The Equity Portion shall accrue on a monthly basis by reference to the average 5-day closing mid-market price for Ordinary Shares prior to month-end. Ordinary Shares pursuant to the Share Portion shall be issued and allotted to Mr Albagli on an approximately six-monthly basis.

Furthermore, in line with the Company's adopted Compensation Policy, the Ordinary Shares to be issued awards pursuant to the Equity Portion will be subject to a lock-in period of one (1) year from the date of allotment.

Under Companies Law the issue of Ordinary Shares to a Director is subject to the approval by the Shareholders at a General Meeting.

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

Regulatory Information

In accordance with schedule 2 paragraph (g) the AIM Rules, the following information is disclosed in relation to Joseph Albagli (aged 69):

Current Directorships and Partnerships:

- Over-Sat Ltd
- SayCore Ltd
- SAGMAY LLC (LLC member and organiser)

Previous Directorships and Partnerships held in last 5 years: none

Mr Albagli has no interest in ordinary shares or options in Ethernity.

Mr Albagli has confirmed that other than the information disclosed above, there is no further information in connection with his appointment required to be disclosed under Schedule Two, paragraph (g) of the AIM Rules.

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.