

29 April 2021

ETHERNITY NETWORKS LTD

("Ethernity" or the "Company")

Fifth Investment under Investment Agreement and Allotment of Shares

Ethernity Networks Ltd (AIM: ENET.L), a leading supplier of networking processing technology ported on FPGA (field programmable gate array) for virtualised networking appliances, announces that it has received notice of payment of a fifth investment, in the amount of £750,000, under the investment agreement with 5G Innovation Leaders Fund LLC ("5G Fund" or the "Subscriber"), a U.S.-based specialist investor, as announced on 25 September 2020 (the "Investment Facility").

5G Fund will make the investment of £750,000 by way of prepayment, in the next five days, for new Shares, valued at £823,500 (the "Fifth Investment"). The proceeds from the investment will be used by the Company for general corporate and working capital purposes.

Allotment of Shares

Separately, 5G Fund has provided the Company with settlement notices for, in aggregate, £600,000 of the amount prepaid by the Subscriber in the previous tranches of its investment.

Accordingly, the Company will issue and allot 2,033,898 new ordinary shares in the Company ("Placement Shares") to the Subscriber in two tranches, as detailed below. Following the payment of the Fifth Investment and the issuance of the Placement Shares, the amount subscribed for by the Subscriber in relation to which shares will remain to be issued will be £1,144,500.

Application has been made to the London Stock Exchange for 1,016,949 new ordinary shares, being half of the Placement Shares ("First Issue"), to be admitted to trading on AIM and admission of the First Issue shares is expected to occur on or around 5 May 2021. It is expected that application for admission of the balance of the Placement Shares, being a further 1,016,949, Placement Shares ("Second Issue"), will be made at a later date in May and the Second Issue Placement Shares will be admitted to trading on AIM on or around 1 June 2021. The Company will make a further announcement at that time in relation to the second application. The Placement Shares will, upon issue, rank *pari passu* with the existing ordinary shares in the Company at the time of their admission.

The Subscriber has confirmed to the Company that it has at all times complied, and will continue to comply, with its obligations in connection with the filing of TR-1 substantial shareholder notification forms (if and when applicable).

Total voting rights

Following admission of the First Issue shares, the Company's enlarged issued share capital will be 53,082,591 Ordinary Shares. The Company holds no Ordinary Shares in Treasury. This figure of 53,082,591 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.

Market Abuse Regulation (MAR) Disclosure

The information contained in this announcement is deemed by the Company to constitute inside information as stipulated under Article 7 of the Market Abuse Regulations (EU) No 596/2014, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

For further information, please contact:

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About Ethernity (www.ethernitynet.com)

[Ethernity Networks](#) (AIM: ENET.L) provides innovative, comprehensive networking and security solutions on programmable hardware for accelerating telco/cloud networks. 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, edge computing, and NFV.