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29 September 2021

ETHERNITY NETWORKS LTD.

("Ethernity" or the "Company")

Result of Over-Subscribed Broker Option

Further to the Company's announcement at 7.00 a.m. on 27 September 2021 (the "Fundraise Announcement"), Ethernity announces that the Broker Option, a facility to allow existing shareholders to participate in the Fundraising on similar terms to the Placing and Subscription announced, has now closed. The Company has accepted valid orders from existing shareholders only and, in order to satisfy demand and pursuant to the terms of the Broker Option, the facility has been increased as detailed below.

The Broker Option has raised £402,479.70 at a price of 35p per share through the issue of 1,149,942 new Ordinary Shares ("Broker Option Shares"), together with associated Warrants.

This brings the total amount raised under the Fundraising and Broker Option to approximately £4.6m (before expenses).

David Levi, CEO, Ethernity Networks, commented: "We were pleased to report in our interim results, in August 2021, that the Company was funded through 2022 to meet its operational requirements and contracts in hand, which position had not changed leading into this fundraising. As Ethernity continues to implement its new proven strategy as a supplier of customised and differentiated system solutions, the fundraising allows the Company to be financially positioned for the next stage of its development and growth with significantly larger customers, and to service expected mass deployment growth on anticipated new contracts from end 2022 onward."

Admission

The Broker Option Shares will rank *pari passu* with the Company's existing Ordinary Shares and application has been made to the London Stock Exchange for admission of the Broker Option Shares to trading on AIM ("Admission"). Admission is expected to occur at 8.00 a.m. on or around 4 October 2021.

Additional broker warrants

Peterhouse has been issued with an additional 22,998 warrants to subscribe for a further new Ordinary Shares at the Issue Price per share. The warrants have a life term of 24 months from the date of Admission.

Total voting rights

Following Admission, including the new Ordinary Shares issued via the Broker Option, and the Fundraising, the Company's enlarged issued share capital will be 68,489,069 Ordinary Shares. The Company holds no Ordinary Shares in Treasury. This figure of 68,489,069 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.

Defined terms in the announcement have the same meaning as in the Fundraising Announcement, unless otherwise specified.

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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.