

09 November 2021

ETHERNITY NETWORKS LTD

("Ethernity" or the "Company")

Allotment of Shares and Conclusion of Investment Facility

Ethernity Networks (AIM: ENET.L), a leading supplier of data processing offload solutions on programmable FPGA (field programmable gate array) for accelerating telco/cloud networks, announces that the subscriber ("Subscriber") under the share subscription deed governing the investment facility, the details of which were announced to the market on 25 September 2020 (the "Investment Facility"), has issued the Company a settlement notice for the entire remaining outstanding balance of £823,500 pursuant to the Investment Facility, for a new share issuance date of 29 November 2021 (the "Issue Date"). Following the settlement of this outstanding balance, no further shares will be required to be issued by the Company under the Investment Facility.

Accordingly, the Company will issue and allot 2,642,472 new ordinary shares of NIS 0.001 each in the Company ("Ordinary Shares") to the Subscriber. The Subscriber's investment was made as a prepayment for Ordinary Shares, on the terms of Investment Facility detailed in the 25 September 2020 announcement.

Application will be made to the London Stock Exchange prior to the Issue Date for 2,642,472 new Ordinary Shares to be admitted to trading on AIM ("Admission") and Admission is expected to occur on or around 29 November 2021. The Company will make a further announcement at the time of application. The new Ordinary Shares will, upon issue, rank pari passu with the existing ordinary shares in the Company at the time of 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 on 29 November 2021, and on the basis no further new Ordinary Shares are issued prior to Admission, the Company's enlarged issued share capital will be 75,351,738 Ordinary Shares. The Company holds no Ordinary Shares in Treasury. This figure of 75,351,738 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:

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About Ethernity (www.ethernitynet.com)

[Ethernity Networks](#) 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.