

10 November 2021

ETHERNITY NETWORKS LTD.

("Ethernity" or the "Company")

Notice of Extraordinary General Meeting

Ethernity Networks (AIM: ENET.L), 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, gives notice of an Extraordinary General Meeting of the Company, to be held at 9.00 a.m. (UK time) / 11.00 a.m. (Israel time) on 6 December 2021 at the Company's offices in Israel.

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 resolutions to be voted on at the EGM and action to be taken. In light of the ongoing 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. The Company will also be making available a facility for attendance by telephone.

The Directors of the Company believe that all of the proposals to be considered at the Meeting are in the best interests of the Company and its Shareholders as a whole and, accordingly, unanimously recommend that Shareholders vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings amounting in aggregate, to 14,675,970 Ordinary Shares representing approximately 20.2 per cent. of the Existing Ordinary Shares.

For further enquiries please contact:

Ethernity Networks Ltd.

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David Levi, Chief Executive Officer

Mark Reichenberg, Chief Financial Officer

Arden Partners plc (NOMAD and Joint Broker)

Tel: +44 207 614 5900

Richard Johnson

Peterhouse Capital Limited (Joint Broker)

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Lucy Williams / Duncan Vasey / Eran Zucker

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.

APPENDIX - EXTRACT FROM NOTICE OF EGM

Chairman's Letter

Background to and Reasons for the Meeting

In September 2021, we successfully completed a placing and subscription, raising approximately £4.6m (before expenses). This was carried out under the Company's existing share disapplication authorities, as approved by Shareholders at the Company's annual general meeting on 2 August 2021. In conjunction with this issue, investors were issued a total of approximately 13.4 million warrants ("Warrants") to subscribe for new Ordinary Shares.

Since the annual general meeting, we have also satisfied, through the issues and allotments of new Ordinary Shares, the Subscription Agreement with the 5G Innovation Leaders Fund LLC, with the final instalment to be issued and allotted on or around 29 November 2021.

In light of these issuances and to maintain adequate share disapplication authorities for new Ordinary Shares pursuant to (i) future exercises of Warrants and (ii) equity issuances (should the Directors deem appropriate), the Company is now seeking for a renewed share authority under the disapplication of pre-emptive rights. This renewed authority, if approved, shall be in substitution and replacement of existing authorities (but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities).

It should also be noted that Article 9.2 of the Company's articles of association requires that if the Company intends to issue Ordinary Shares or other Equity Securities (as such terms are defined in the Company's articles of association), subject to certain exceptions, it must first offer them to existing Shareholders, which may prove to be both costly and cumbersome.

The Resolution will enable the Directors to allot Ordinary Shares or other Equity Securities on a non-pre-emptive basis, up to an aggregate nominal value of NIS 20,000.00 (equivalent to 20,000,000 Ordinary Shares), which is equal to approximately 26.5% of the nominal value of the issued ordinary share capital of the Company as of 9 November 2021 or in connection with a rights issue or similar offer. The Directors believe that the disapplication authority provided by the Resolution will maintain a desirable degree of flexibility. Unless previously revoked or varied, the disapplication will expire on the conclusion of the next annual general meeting of the Company, provided that it would apply to offers and agreements made prior to such time.

Actions to be taken in respect of the Meeting

WE STRONGLY ENCOURAGE SHAREHOLDERS TO VOTE ON THE RESOLUTION BY APPOINTING THE CHAIRMAN OF THE MEETING AS YOUR PROXY, TO REGISTER ANY QUESTIONS IN ADVANCE AND NOT TO ATTEND THE MEETING IN PERSON.

Shareholders are encouraged to submit their voting instructions as soon as possible, even if they might intend to attend the EGM in person should the Coronavirus (COVID-19) situation and the Israeli Government's guidance permit this. See below for details with regard to voting instructions.

Shareholders can submit questions to the Board in advance of the EGM by emailing such questions to the Company Secretary, Mark Reichenberg at markr@ethernitynet.com by no later than 9.00 a.m. (UK time) / 11.00 a.m. (Israel time) on 1 December 2021. We will consider all questions received and endeavour to provide responses to them at the EGM to the extent appropriate and practicable.

Any Shareholder or proxy appointed by a Shareholder who wishes to attend the EGM by telephone is requested to contact Mark Reichenberg (details above) in order to obtain details of how to join the teleconference. Such Shareholders or proxies are requested to provide in that email details of their registered shareholding or proxy appointment in order that their entitlement to attend may be verified.

Any Depository Interest Holder who wishes to join the EGM by telephone is requested first to contact the Depository at Link Market Services Trustees Limited, Link Market Services Trustees Limited, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL or by email by using nominee.enquiries@linkgroup.co.uk in order to request a Letter of Representation no later than 5.00 p.m. (UK time) / 7.00 p.m. (Israel time) on 1 December 2021. Any such Depository Interest Holder is then requested to contact Mark Reichenberg as set out above once they have received the Letter of Representation.

The health and well-being of our Shareholders and colleagues remains our priority and the steps set out above are necessary and appropriate ones given the current pandemic.

I would reiterate that the Board would encourage all Shareholders and Depository Interest Holders in the strongest possible terms to use their Form of Proxy or Form of Direction, as relevant, and appoint the chairman of the EGM as their proxy. This will allow their votes to count. The action to be taken in respect of the Meeting depends on whether you hold your Ordinary Shares in certificated form or as Depository Interests.

Certificated Shareholders

Please check that you have received the following with this document:

- a Form of Proxy for use in respect of the Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Proxy (in the UK only).

You are strongly encouraged to complete, sign and return the Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by post, at Link Group, PXS 1, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom or, during normal business hours, by hand to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom, in each case by no later than 9.00 a.m. (UK time) / 11.00 a.m. (Israel time) on 2 December 2021.

This will enable your vote to be counted at the Meeting in the event of your absence. The completion and return of the Form of Proxy will not prevent you from attending and voting at the Meeting, or any adjournment of the Meeting, by telephone. However, Shareholders are urged not to attend the Extraordinary General Meeting in person.

Depository Interest holders

Please check that you have received the following with this document:

- a Form of Direction for use in respect of the Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Direction (in the UK only).

You are strongly encouraged to complete, sign and return the Form of Direction in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by post, at Link Group, PXS 1, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom or, during normal business hours, by hand to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom in each case by no later than 9.00 a.m. (UK time) / 11.00 a.m. (Israel time) on 1 December 2021.

This will enable your vote to be counted at the Meeting. The completion and return of the Form of Direction will not prevent you from attending the Meeting, or any adjournment of the Meeting, by telephone (subject to obtaining a valid Letter of Representation), however you will not be able to vote at the Meeting. Depository Interest holders are urged not to attend the Extraordinary General Meeting in person.

Recommendation

The Directors of the Company believe that all of the proposals to be considered at the Meeting are in the best interests of the Company and its shareholders as a whole and, accordingly, unanimously recommend that you vote in favour of the Resolution as they intend to do in respect of their own beneficial holdings amounting in aggregate, to 14,675,970 Ordinary Shares representing approximately 20.2 per cent. of the Existing Ordinary Shares.

Yours faithfully,

Yosi Albagli

Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting of Ethernity Networks Ltd. (the "Company") will be held at the offices of the Company at 13A Hamelacha St., Lod Industrial Park, 7152025 at 11.00 a.m. (Israel time) / 9.00 a.m. (UK time) on 6 December 2021, to consider and, if thought fit, pass the following resolutions:

1. THAT, in substitution for existing authorities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities, the board of directors of the Company be authorised to allot Ordinary Shares or other Equity Securities for cash and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if Article 9.2 of Company's articles of association did not apply to any such allotment or sale, such authority to be limited to:
 - 1.1 the allotment of Ordinary Shares or other Equity Securities or sale of treasury shares in connection with a rights issue or similar offer in favour of Shareholders where the Ordinary Shares, other Equity Securities or treasury shares are proposed to ordinary shareholders proportionately (as nearly as may be) to the respective number of ordinary shares held by them subject only to such exclusions or other arrangements as the board of directors of the Company may consider appropriate to deal with fractional entitlements or legal or practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory; and
 - 1.2 the allotment of Ordinary Shares or other Equity Securities or sale of treasury shares (otherwise than under paragraph 1.1 above) up to an aggregate nominal value of NIS 20,000.00, such authority and power to expire at the conclusion of the next annual general meeting of the Company, save that the Company may, before the expiry of such period, make an offer or agreement which would or might require Ordinary Shares or other Equity Securities to be allotted after such expiry and the board of directors of the Company may allot Ordinary Shares or other Equity Securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

The approval of Resolution 1 requires the affirmative vote of three fourths of the Ordinary Shares present in person or represented by proxy and voting at the Extraordinary General Meeting on such Resolution.

Notes to the Notice of Extraordinary General Meeting

1. Enclosed with this document is either a Form of Proxy for use by shareholders (the "Form of Proxy") of a Form of Direction for use by Depositary Interest Holders (the "Form of Direction").
2. Only those Shareholders registered in the Company's register of shareholders as of close of business (UK time) 2 December 2021 (the "Original Cut-Off") are entitled to attend and/or vote at the Meeting, and each only in respect of such number of Ordinary Shares registered in his or its name at that time. If the Meeting is adjourned to a time not more than 48 hours after the original Meeting time (other than an adjournment due to a lack of a quorum), the Original Cut-Off will continue to apply. Any changes to the Company's register of shareholders made after the Original Cut-off shall be disregarded for these purposes.
3. The quorum for the Meeting shall be two or more shareholders present in person or by proxy and holding Ordinary Shares conferring in the aggregate 25 per cent. or more of the voting power of the Company. If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting shall be adjourned to the same day in the next week, at the same time and place and the Original Cut-off shall apply. Two or more shareholders who attend an adjourned meeting in person or by proxy will constitute a quorum, regardless of the number Ordinary Shares they hold or represent.
4. If you are a Shareholder of the Company, whether or not you intend to be present at the Meeting, please complete and return the Form of Proxy (in accordance with the instructions set out in that document) to Link Group, PXS 1, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom, as soon as possible and in any event so as to be received by no later than 9.00 a.m. (UK time) / 11.00 a.m. (Israel time) on 2 December 2021 or 48 hours before any meeting following adjournment thereof (in accordance with the Uncertified Securities Regulations 2001, and any other provisions

notwithstanding). Completion and return of a signed Form of Proxy will not prevent you from attending the Meeting and voting thereat in person, if you so wish.

5. If you are a holder of Depositary Interests, please complete and return the Form of Direction (in accordance with the instructions set out in that document) to Link Group, PXS 1, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom as soon as possible and in any event so as to be received by no later than 9.00 a.m. (UK time) / 11.00 a.m. (Israel time) on 1 December 2021 or 72 hours before any meeting following adjournment thereof. Holders of DI's must be registered in the Company's depositary interest register at 9.00 a.m. (UK time) / 11.00 a.m. (Israel time) on 1 December 2021 (or at 9.00 a.m. (UK time) / 11.00 a.m. (Israel time) three days before the date of any adjourned Meetings).
6. In the case of joint holders, the signature of only one of the joint holders is required on the Form of Proxy, or Form of Direction (as applicable), but the vote of the first named on the register of shareholders or register of Depositary Interests (as applicable) will be accepted to the exclusion of the other joint holders.
7. The approval of Resolution 1 requires the affirmative vote of three fourths of the Ordinary Shares present in person or represented by proxy and voting at the Extraordinary General Meeting on such Resolution.
8. Any Shareholder or proxy appointed by a Shareholder who wishes to attend the EGM by telephone is requested to contact the Company Secretary, Mark Reichenberg (at markr@ethernitynet.com), in order to obtain details of how to join the teleconference. Such Shareholders or proxies are requested to provide in that email details of their registered shareholding or proxy appointment in order that their entitlement to attend may be verified.
9. Any Depositary Interest Holder who wishes to join the EGM by telephone is requested first to contact the Depositary at Link Market Services Trustees Limited, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom or by email by using nominee.enquiries@linkgroup.co.uk in order to request a Letter of Representation no later than 5.00 p.m. (UK time) / 7.00 p.m. (Israel time) on 1 December 2021.. Any such Depositary Interest Holder is then requested to contact the Company Secretary as set out in the immediately preceding paragraph once they have received the Letter of Representation. However, Depositary Interest holders will not be able to vote at the Meeting.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting to be held on 06 December 2021 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Link Group CREST Participant ID: RA10, no later than 72 hours before the time appointed for the Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
12. CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

13. A corporation which is a shareholder may by resolution of its directors or other governing body authorise a person to act as its representative who may exercise, on its behalf, all its powers as a shareholder, provided the corporation does not do so in relation to the same shares.
14. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out, but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that shareholders and Depositary Interest holders subject all messages to virus checking procedures before use. Any electronic communication received by the Company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.
15. As at the close of business (UK time) on 9 November 2021 being the date immediately prior to the date of this Notice, the Company's issued share capital comprised of 72,709,266 Ordinary Shares. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at close of business (UK time) on 9 November 2021 is 72,709,266.

DEFINITIONS

The following words and expressions shall have the following meanings in this announcement unless the context otherwise requires:

"AIM"	the AIM market operated by the London Stock Exchange plc
"Board" or "Directors"	the board of directors of the Company
"certificated" or "in certificated form"	the description of a share or security which is not in uncertificated form (that is, not in CREST)
"Company" or "Ethernity"	Ethernity Networks Ltd., incorporated and registered in Israel (with registration number 51-347834-7) whose registered office is at 13A Hamelacha St., Lod Industrial Park, 7152025, Israel)
"CREST"	the computerised settlement system to facilitate transfer of title to or interests in securities in uncertificated form operated by Euroclear UK & Ireland Limited
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), including (i) any enactment or subordinate legislation which amends or supersedes those regulations and (ii) any applicable rules made under those regulations for the time being in force
"Depositary"	Depositary Link Market Services Trustees Limited, incorporated in England (No 02729260) whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
"Depositary Interest" or "DI"	dematerialised interests representing underlying Ordinary Shares in the ration of 1:1 that can be settled electronically through and held in CREST, as issued by the Depositary who holds the underlying securities on trust
"Depositary Interest Holder(s)"	holder(s) of Depositary Interests

“EGM” or “Extraordinary Meeting” or “Meeting”	General	the extraordinary general meeting of the Company being convened by this notice or any adjournment of such meeting
“Existing Ordinary Shares”		72,709,266 Ordinary Shares currently in issue at the date of this document
“Form of Proxy”		the form of proxy for use by Shareholders at the General Meeting which accompanies this document
“Form of Direction”		the form of direction for use by Depository Interest Holder(s) at the General Meeting which accompanies this document
“Notice of Extraordinary Meeting”	General	the notice of the Extraordinary General Meeting, which is set out at the end of this document
“Ordinary Shares”		ordinary shares of NIS 0.001 nominal value each in the share capital of the Company
“Resolution”		the resolution to be proposed at the Extraordinary General Meeting, as set out in the Notice of Extraordinary General Meeting
“Shareholder(s)”		holder(s) of Ordinary Shares
“uncertificated” or “in uncertificated form”		a share or security recorded in the Company’s register of members as being held in uncertificated form, title to which may be transferred by means of CREST