

21 November 2018

ETHERNITY NETWORKS LTD

Contract with Tier 1 North American Military and Defence OEM

Ethernity Networks' 120Gbps Switch/Router FPGA Firmware and Software to Power Avionic Platform

[Ethernity Networks](#) (AIM: ENET.L), a leading innovator of network processing technology and products, announces today that it has signed a contract to supply a tier 1 North American aviation and defence OEM with its ENET Switch/Router firmware and software. Ethernity will integrate its firmware on the customer's FPGA-based avionics platform.

The contract represents \$400,000 dollars in short-term revenue for Ethernity, with additional future royalty streams. This agreement is the second announced contract with a Tier 1 OEM for Ethernity within the past month following the company's announcement on 24 October 2018 of a similar networking functionality contract with a tier 1 OEM's FPGA-based optical networking platform. The total short-term value of the two deals could reach as much as \$1 million, with considerable ongoing annual royalties.

The two recent contracts also represent a significant change in the market in which vendors build FPGA-based platforms as their preferred vehicle for deployments with multiple applications, including networking functionality. This trend, when added to the new Open Compute Platforms (OCP) based entirely on FPGAs and the adoption of FPGA-based SmartNICs, should result in greater business opportunities for Ethernity's patented ENET Flow Processor technology.

"This contract further confirms that our extensive networking solutions bring tremendous value to different sectors of the market at the tier 1 OEM level," said David Levi, Ethernity's CEO. "This further enables us to build strong partnerships with industry leaders in the various markets that require customised networking solutions. This established business model will serve as the foundation for the anticipated product revenue growth from our new ACE-NIC100 FPGA-based SmartNIC."

"We are very pleased to have been chosen to partner with such a well-respected aviation manufacturing company," said Rob O'Hara, Ethernity's Vice President of International Sales. "I believe this to be an indication of Ethernity's prominent position in the market for best-in-class networking processing and security technology for FPGA platforms."

Additional information on Ethernity's FPGA-based ENET Flow Processor is available on our website at www.ethernitynet.com.

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Market Abuse Regulation

The information communicated in this Announcement is inside information for the purposes of Article 7 of Market Abuse Regulation 596/2014 ("MAR"). For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is being made on behalf of the Company by Mark Reichenberg, Chief Financial Officer.

About Ethernity Networks

[Ethernity Networks](#) (AIM: ENET.L) is a leading innovator of network processing technology and products. Mounted on low-cost COTS FPGAs and with a rich set of networking features, Ethernity's ACE-NIC smart network adapters, ENET SoCs, and network appliances offer best-in-class all-programmable platforms for the fixed and mobile telecom, enterprise security, and data centre markets. Our complete offering, incorporating hardware, FPGA firmware, and software applications, enables full programmability at the pace of software development, quickly adapting to changing market demands and applications and facilitating the deployment of edge computing, 5G, and SDN/NFV.