

30 April 2020

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

ETHERNITY NETWORKS LIMITED

("Ethernity" or the "Company")

Design Contract with North American Tier-1 OEM

Ethernity Networks (AIM: ENET.L), a leading supplier of data processing offload solutions on programmable hardware for functional accelerating of telco/cloud networks is pleased to announce the signing of a new design contract with a North American tier-1 telecommunications OEM.

Summary of Key Terms

- Design win contract for Ethernity flow processor technology, including ENET Switch and Traffic Manager firmware, to support 200Gbps performance on customer's xPON optical light termination ("OLT") device;
- \$495,000 upfront payment to Ethernity of in respect of design fee and prepayment of initial royalties;
- Annual revenue of up to \$240,000 p.a. for continued product development and ongoing Ethernity engineering support of the previously licenced technology with the customer; and,
- Anticipated ongoing royalty payments to Ethernity based on expected scale of the deployment OLT platform by the OEM partner from H2 2021.

This contract represents a further development of the relationship with an existing North American tier-1 telecommunications OEM customer following an initial licensing deal in 2018. Following a successful field deployment of the previously licenced Ethernity platform, the customer has now advanced to deployment of a next-generation product based on Ethernity's advanced technology.

The Ethernity solution will be customised to fit the customer's new OLT platform, which, in addition to Ethernity's ENET Flow Processor core functionality includes hierarchical traffic management, switching, and access control list (ACL). It will also include Ethernity's new 400Gbps Fabric technology to allow cascading multiple chassis to form a virtual chassis cluster.

Deployment of the new OLT platform is expected in H2 2021. At such time, and based on current expectation of the scale of deployment of the platform and the size of the OEM, Ethernity anticipates the contract to result in significant ongoing royalty streams for the Company. These would be in addition to ongoing royalties from the previous platform with the customer.

David Levi, CEO of Ethernity said "We are pleased to have received this new platform design win order, and we look forward to developing additional new platforms for this customer's appliances in other vertical markets. This design win contract confirms that our extensive networking functionality offers tremendous value to the market and is an example of how we can build strong partnerships with industry leaders."

For further information, please contact:

Ethernity Networks
David Levi, Chief Executive Officer
Mark Reichenberg, Chief Financial Officer

Tel: +972 8 915 0392

Arden Partners plc (NOMAD and Broker)
Richard Johnson / Benjamin Cryer

Tel: +44 207 614 5900

The PR Office
Marc Cohen/Tom Gilby
ethernity@theproffice.com

Tel: +44207 284 6969

About Ethernity Networks

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.