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ETHERNITY NETWORKS LTD

("Ethernity" or the "Company")

Ethernity Networks signs new contract with existing OEM customer

Ethernity Networks (AIM: ENET.L), a leading supplier of networking processing technology ported on FPGA (field programmable gate array) for virtualised networking appliances, announces it has signed a new contract with an existing OEM customer, based in St Petersburg, to upgrade an existing hardware platform with new FPGA-firmware. The hardware will be deployed as an enterprise 1Gbps/10Gbps customer premises equipment (CPE) router appliance supporting tens of thousands of flows with integrated security. The customer plans to deploy these appliances for SD-WAN in schools, hospitals and medical clinics, post offices and social facilities, as well as in state-funded digital development programs.

The agreement provides for stage payments totalling $190,000 on a milestone basis during 2020 and 2021, followed by ongoing product sale revenues anticipated at between $80 to $150 per Ethernity ENET System-on-Chip (SoC). Based on the nature of the appliance as an Enterprise router CPE, pending successful execution the customer anticipates shipment of c. 10,000 units during 2021, which would lead to additional product revenue in excess of $1m to Ethernity.

Ethernity's ENET SoC is ideal for SD-WAN in that it provides deterministic high-performance routing functionality with extremely low latency over FPGA, which saves valuable space and power at the customer premises. It also offers enhanced security with high-speed IPSec tunnelling protocol offload and termination, filtering , and intelligent load distribution.

Oded Bergman, VP of Products and Business Development at Ethernity Networks, said: "Today's CPE deployments have become more advanced, with multi-gigabit throughput and SD-WAN. SD-WAN enables flexible deployments and higher level of control across the network. Traditional software-based access infrastructure cannot handle the required levels of throughput for such network designs, and ASIC-based CPE cannot provide sufficient agility, so companies are turning to FPGA-based solutions. We look forward to helping bring this product to market."

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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.