

16 December 2020

ETHERNITY NETWORKS LTD

("Ethernity" or the "Company")

Notice to exercise outstanding 20p Warrants

Ethernity Networks (AIM: ENET.L), a leading supplier of data processing offload solutions on programmable FPGA (field programmable gate array) hardware for accelerating telco/cloud networks, announces that, in accordance the accelerator clause provisions of the warrant instrument dated 22 July 2020, the Company is today giving notice ("Notice") requiring holders to exercise their outstanding warrants, at 20p per share ("20p Warrants") to subscribe for new ordinary shares of NIS 0.001 each in the Company ("Ordinary Shares").

Holders of 20p Warrants are required to exercise their 20p Warrants within a period of 7 days from this Notice, failing which the 20p Warrants shall be cancelled. A further 3,666,677 warrants, with an exercise price of 30p per Ordinary Share, remain in issue and outstanding.

A further announcement will be made at the conclusion of the Notice period.

Exercise of 20p Warrants and Adviser Warrants

In addition, the Company has received notice to exercise 289,167 20p Warrants, at 20p per Ordinary Share, and 252,750 warrants issued to an adviser in conjunction with the Company's fundraising in July 2020, at 12p per Ordinary Share.

Application has been made to the London Stock Exchange for 541,917 new Ordinary Shares to be admitted to trading on AIM ("Admission") and Admission is expected to occur on or around 21 December 2020. The new Ordinary Shares will, upon issue, rank *pari passu* with the existing Ordinary Shares in the Company.

Total voting rights

Following Admission, the Company's enlarged issued share capital will be 44,138,404 Ordinary Shares. The Company holds no Ordinary Shares in Treasury. This figure of 44,138,404 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:

Ethernity Networks David Levi, Chief Executive Officer Mark Reichenberg, Chief Financial Officer	Tel: +972 8 915 0392
Arden Partners plc (NOMAD and Joint Broker) Richard Johnson / Benjamin Cryer	Tel: +44 207 614 5900
VSA Capital Limited (Joint Broker) Andrew Monk, Corporate Broking Simon Barton, Corporate Finance	Tel: +44 20 3005 5000
Peterhouse Capital Limited (Joint Broker) Lucy Williams / Duncan Vasey / Eran Zucker	Tel: +44 20 7562 0930

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.