

20 April 2021

ETHERNITY NETWORKS LTD

("Ethernity" or the "Company")

Fourth Investment under Investment Agreement and Allotment of Shares

Ethernity Networks Ltd (AIM: ENET.L), a leading supplier of networking processing technology ported on FPGA (field programmable gate array) for virtualised networking appliances, announces that, further to the announcement on 4 March 2021, it has received notice of payment of the fourth investment, in the amount of £400,000, under the investment agreement with 5G Innovation Leaders Fund LLC ("5G Fund" or the "Subscriber"), a U.S.-based specialist investor, as announced on 25 September 2020 (the "Investment Facility").

5G Fund will make the investment of £400,000 by way of prepayment, in the next five days, for new Shares, valued at £438,000 (the "Fourth Investment"). The proceeds from the investment will be used by the Company for general corporate and working capital purposes.

Allotment of Shares

Separately, 5G Fund has provided the Company with a settlement notice for £500,000 which was prepaid by the Subscriber in the previous tranches of its investment.

Accordingly, the Company will issue and allot 1,805,054 new ordinary shares in the Company ("Ordinary Shares") to the Subscriber. Following the payment of the Fourth Investment, the amount subscribed for by the Subscriber in relation to which shares remain to be issued will be £921,000.

Application has been made to the London Stock Exchange for 1,805,054 new Ordinary Shares to be admitted to trading on AIM ("Admission") and Admission is expected to occur on or around 26 April 2021. 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 51,665,225 Ordinary Shares, inclusive of the 375,001 new Ordinary Shares pursuant to the exercise of warrants announced on 19 April 2021. The Company holds no Ordinary Shares in Treasury. This figure of 51,665,225 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.

Market Abuse Regulation (MAR) Disclosure

The information contained in this announcement is deemed by the Company to constitute inside information as stipulated under Article 7 of the Market Abuse Regulations (EU) No 596/2014, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. With the

publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

For further information, please contact:

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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.