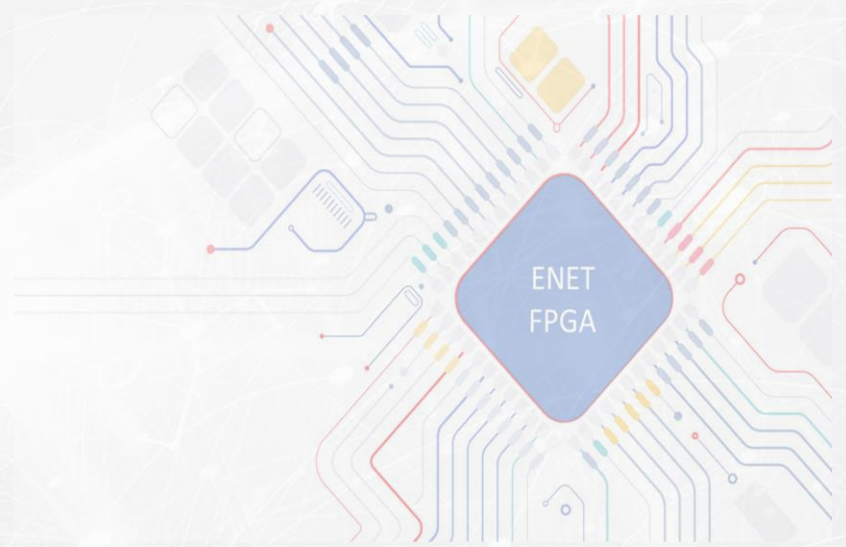


# Ethernity Networks Ltd.

(AIM: ENET)

## Company Presentation

September 2021



# About Ethernity Networks

- Semiconductor networking technology company with innovative network processing technology
- **Over 700K systems** deployed with ENET System-on-a-Chip
- Strategy refocused on delivery of advanced Programmable Networking Solutions to grow revenue into 2022 and beyond
- Growing engagements with OEMs, server vendors, and operators for the fast-growing 5G Cellular market
- Ethernity's DU NIC with vRouter offload shortlisted for GSMA GLOMO awards
- Traded on AIM, with global HQ in Israel



Building Innovative Programmable Networking Solutions

## ACE-NIC FPGA SmartNIC



Security and Crypto Acceleration

5G Core User Plane Offload

Customised and Programmable Router Solutions

## Network Appliances



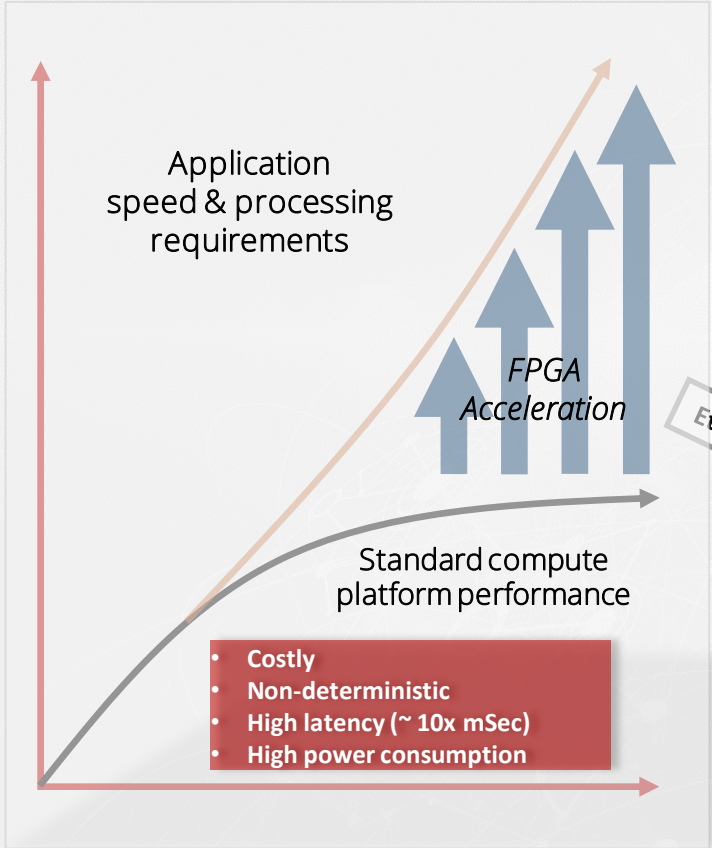
Patented Wireless Aggregation

Cell Site Router

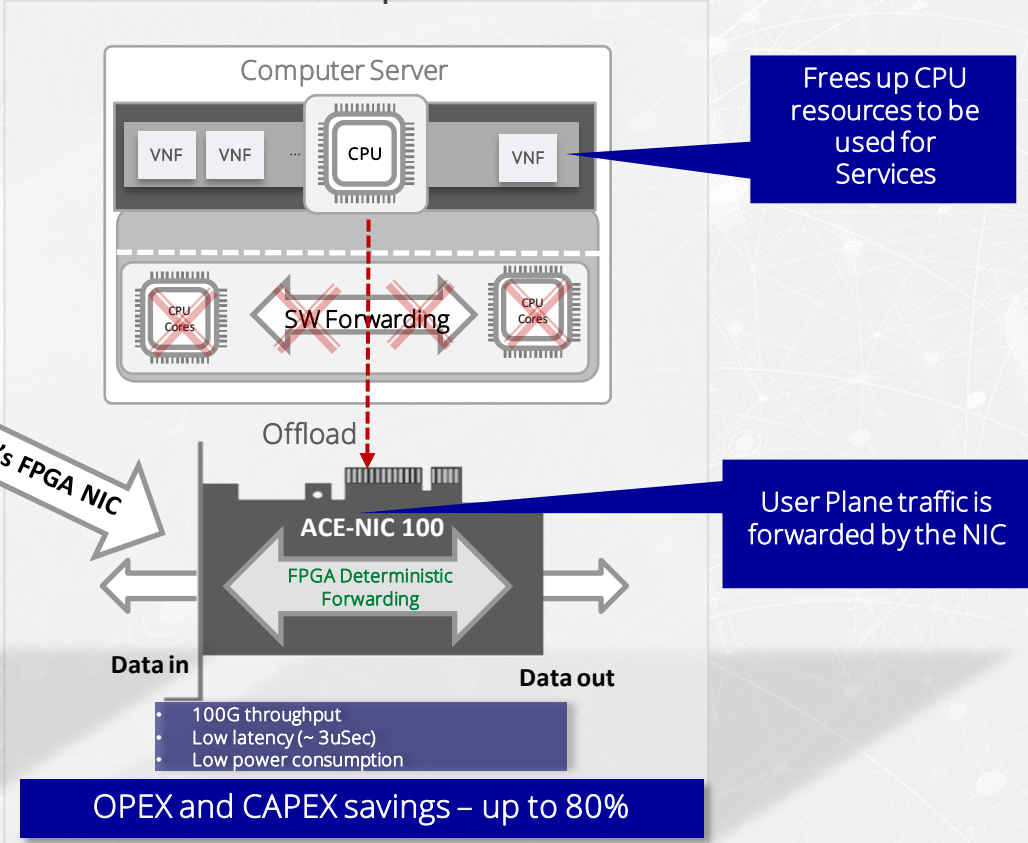
Fronthaul Gateway

Small Cell Aggregation

# The Problem: Server CPUs Cannot Keep Up



# The Solution: FPGA SmartNIC Solves the Performance Gap



The Solution: FPGA SmartNIC solves the performance gap on compute platforms

# The Opportunity

- Cloud 5G network is planned for huge growth
- The need for functional acceleration
  - “By 2023, 30% of NIC cards will come with functionality delivered by Ethernity today.” – Vendor To Watch: *Gartner, February 2020*
- Network Disaggregation
  - Operators are now insisting on a disaggregated “open-network” approach, with different components supplied by multiple vendors, reducing reliance on a single vendor
  - A Heavy Reading report summarised: 51% vote for faster innovation/flexibility in adopting latest technology/faster innovation: <https://www.infinera.com/wp-content/uploads/HR-Open-and-Disaggregated-Packet-and-Optical-Networks-February-2021.pdf>
- Tens of potential global customers and partners
  - OEM equipment vendors, server vendors , service providers and system integrators

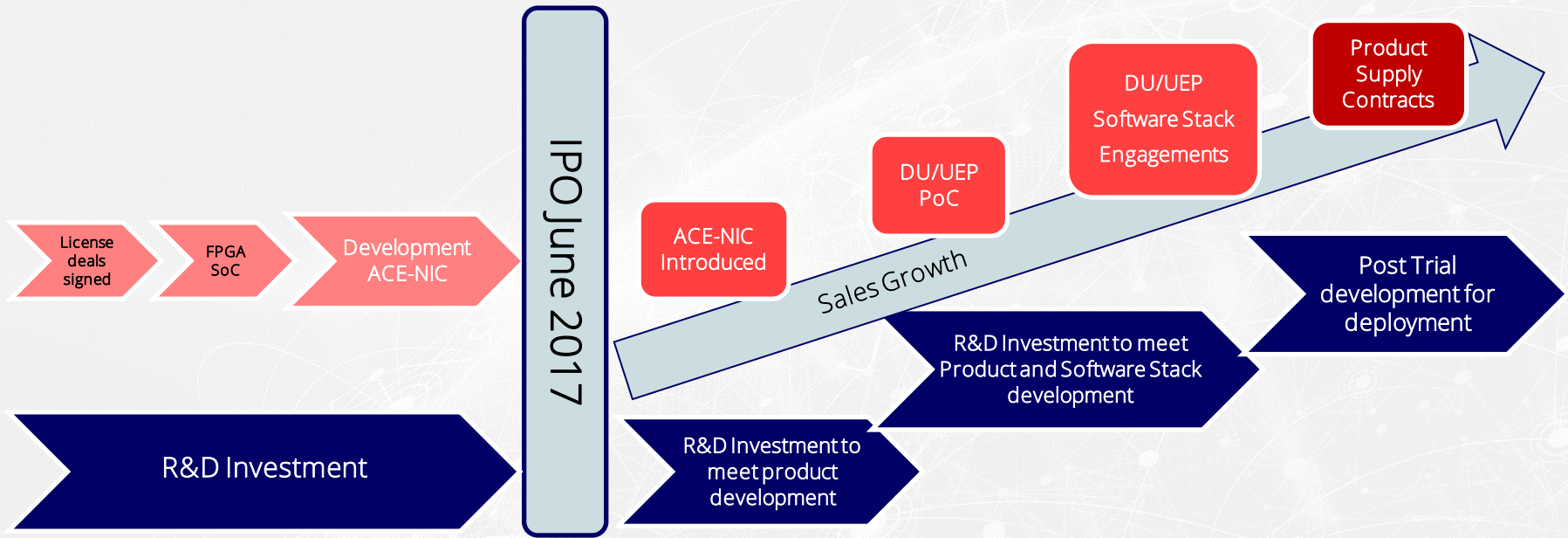
# Competitive Landscape

	ASIC/FPGA	In-House FPGA Code	Programmable/ Customisable	Virtual Router and Software	Router Functionality on Card	Amount of CPU Cores per 100Gbps Forwarding	Price for FPGA NIC Card
<b>Ethernity</b>	FPGA	✓	✓	Pay-as-you-grow licenses	✓	1	\$
<b>Mellanox</b>	ASIC	N/A	✗	✗	✗	20	N/A
<b>Intel</b>	ASIC/FPGA	✗	✓*	✗	✗	20	\$\$\$ (FPGA Option)
<b>Amazon</b>	ASIC	N/A	✗		✗	20	N/A
<b>Napatech</b>	FPGA	✓	✓	✗	✗	20	\$\$

\* Dependent on 3<sup>rd</sup>-party contractors

Outstanding Offering for 5G

# Evolution Growth from Licensing to Product



Development and Growth from Licensing Deals to Providing Hardware & Software Solutions

# 5G Router Progress with Customers/Partners

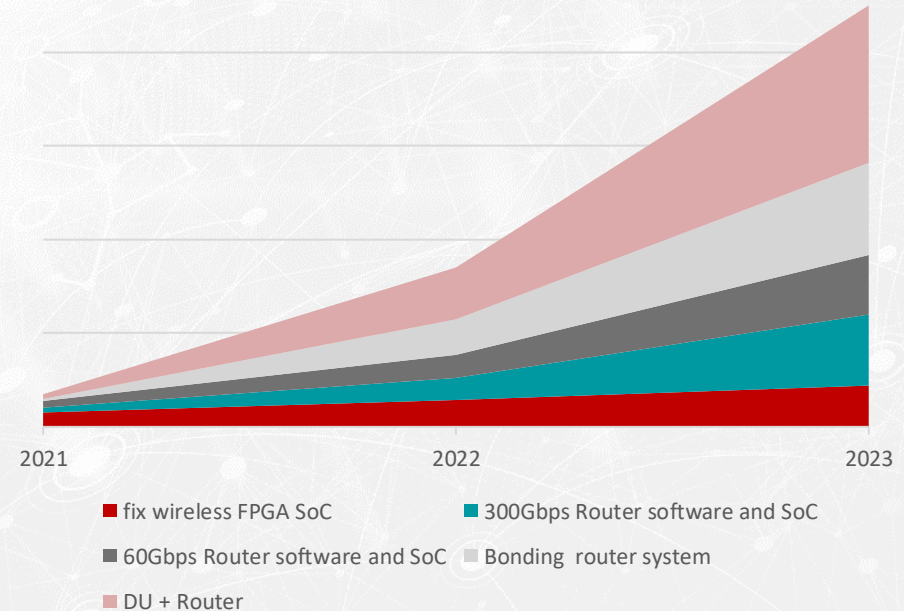
	<p>Wireless Connectivity Vendor</p>	<p>Fixed Wireless Access</p>	<p>Indian OEM</p>	<p>Opportunities: Tier-1 Server Vendors</p>
<p>ACE-NIC for 5G UPF</p> <p>Offer complete UPF product that includes use of open-source software and FPGA offload NIC</p> <p>Joint go-to-market focus on private Internet Of Things (IoT)</p>	<p>UEP for Router with Wireless Bonding</p> <p>~\$1m contract for 1000 units Customer shipment during 2021 reached to 10,000 units</p> <p>Further engagement in process with other vendors</p>	<p>FPGA SoC</p> <p>Confirmed orders of \$2m for 2021/22, majority in 2022</p> <p>Massive deployment of wireless access to homes in Africa</p>	<p>UEP 5G Cell Site Router System</p> <p>\$1.5m contract for 800 units, estimated to grow to 10k annually</p> <p>Multiple engagements with operators and government</p>	<p>ACE-NIC for vRouter offload on 5G DU</p> <p>Single win for DU can generate 3k to 5k NIC</p> <p>5G mobile and private Internet of Things</p>

# 5G Routing Platform Growth from Current Engagements

## 5G Router system growth

- **Fixed Wireless FPGA SoC:** Ethernity's FPGA SoC ported on a Wireless Access Provider wireless base station – \$2m orders received
- **60G/300G Router system:** contract with Indian OEM for delivery of vRouter and FPGA Offload SoC – initial contracts of \$1.5m for 800 units
  - 5k to 10k units annual estimates
- **Indoor Unit System-on-Module for wireless backhaul:** signed contract Router System-on-Module with Bonding patent – initial contract of ~\$1m for 1000 units
  - Customer shipped during 2021 10,000 wireless units and forecast annual use of 6,000 units for Ethernity
- **ACE-NIC for DU + Router:** a single win for DU can generate 3,000 to 5,000 cards

5G Router Projection from Current Engagements



Additional contracts expected to follow the above engagements for further growth



# Virtual Router Market to Reach \$700M

- Mandatory requirement for cloud native 5G connectivity
  - 5G DU and CU require vRouter offering with acceleration
  - Currently, we believe Ethernity are well placed to deliver this to the market
- Decreasing total cost of ownership
- Adoption of cloud services by small and medium organisations
- Ethernity's "Pay-as-you-Grow" licensing model
  - Priced per subscriber/capacity



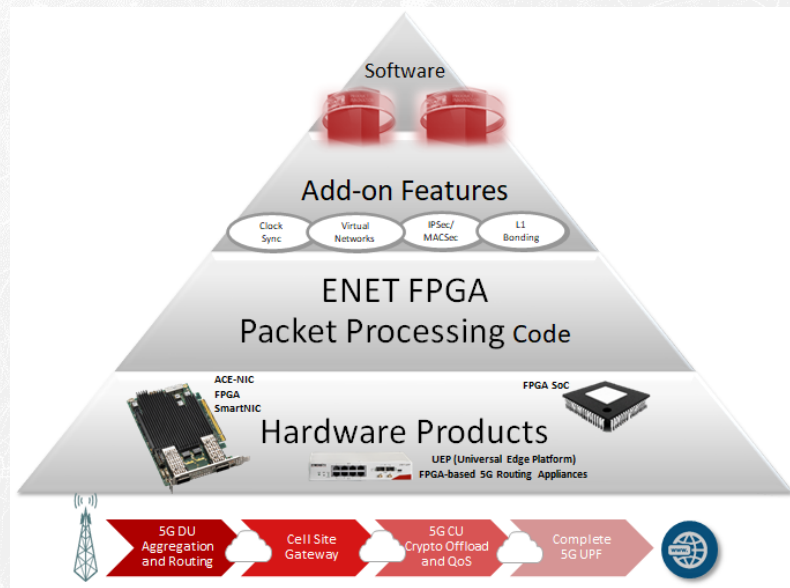
The virtual router market is expected to reach USD 707.80 million by 2027, indicating market growth at a rate of 23.35% in the forecast period of 2020 to 2027.

"As 5G adoption also starts to grow, FACs will also be handy at the edge for offloading NFV functions."  
 - Gartner, February 2020

# Why should customers choose Ethernity?

## Key product offering

- The only vendor that offers Routing function on FPGA NIC
- Wireless Bonding allows better utilisation of the network
- Higher port count resulting in additional saving for customers
- Faster innovation to adopt the latest technologies
- Flexibility in adoption of new network solutions
- Offer differentiated products for the market



From the tower to the 5G Core

# Summary

- New focus on strategy of complete system and software solutions
- Growth already implemented with significant contract wins
- Multiple design wins for 5G offering and additional engagements – healthy pipeline
- Ethernity is the only SmartNIC vendor with a proven vRouter offload technology
  - Focus on early capture of market share
- 5G is here to stay
  - Those who are ready will reap the rewards
- Further 5G engagements expected to lead to significant revenue increases into 2022 and beyond as 5G deployments continue to accelerate

From Validated Technology to Complete Appliances

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