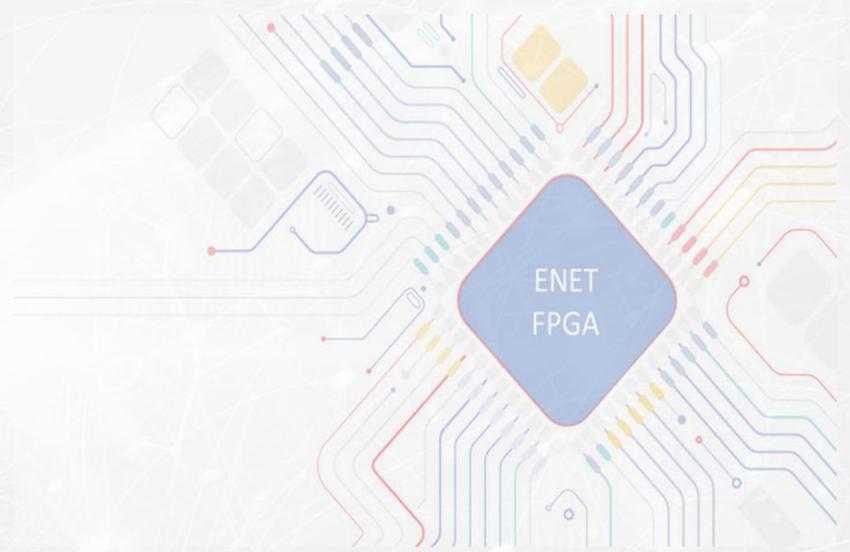


Ethernity Networks Ltd.

(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



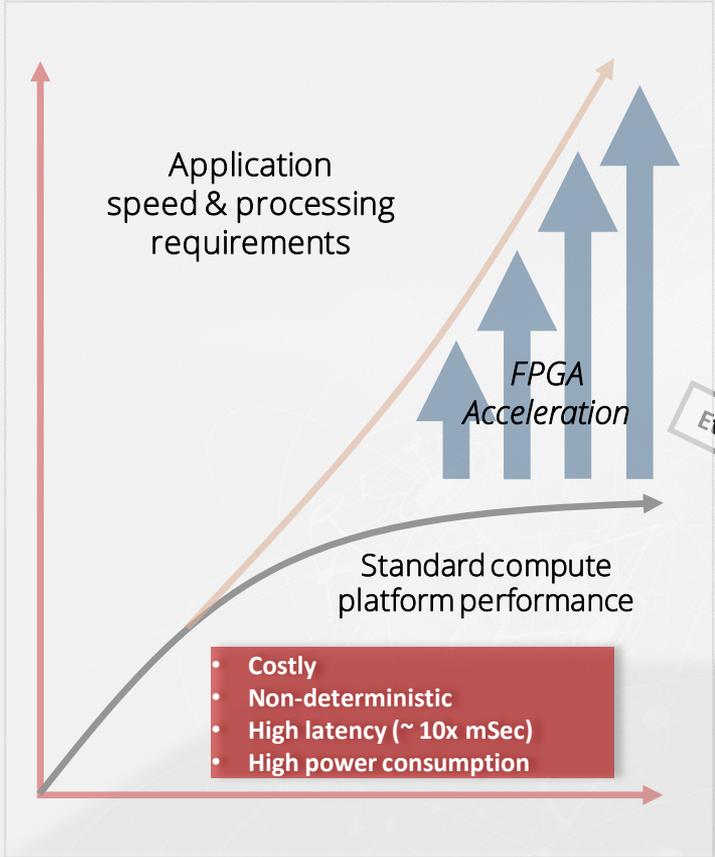
Patented Wireless
Aggregation

Cell Site Router

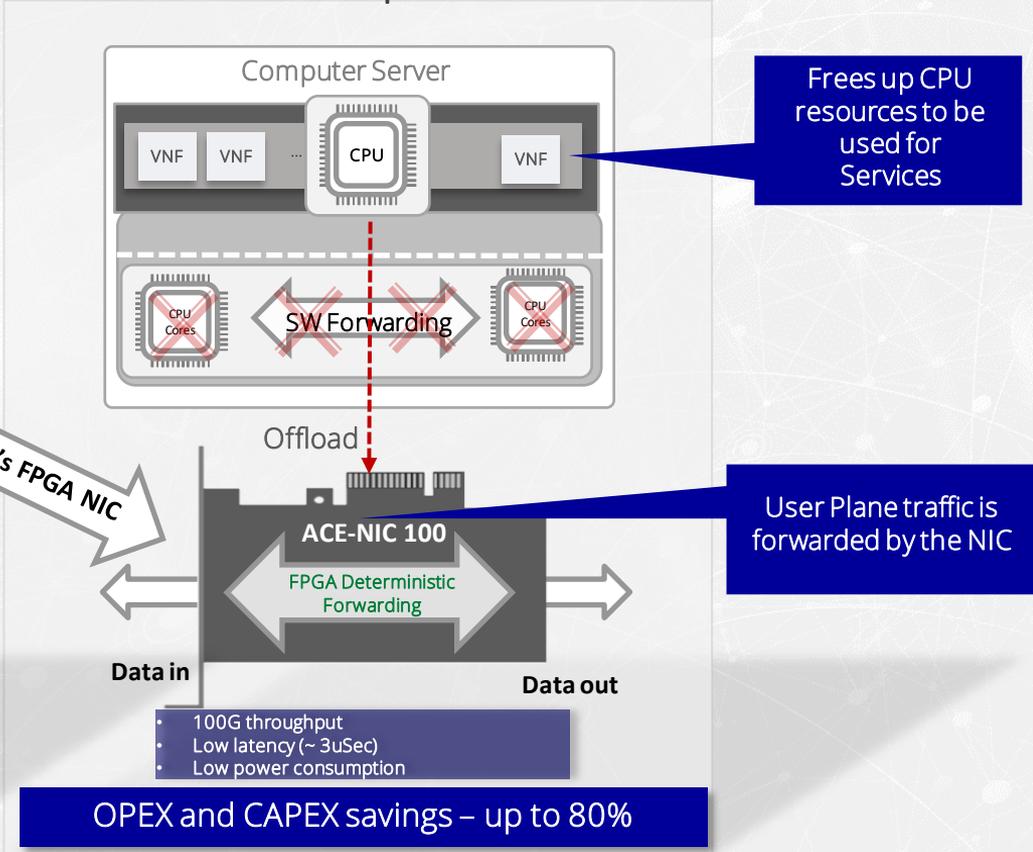
Fronthaul Gateway

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

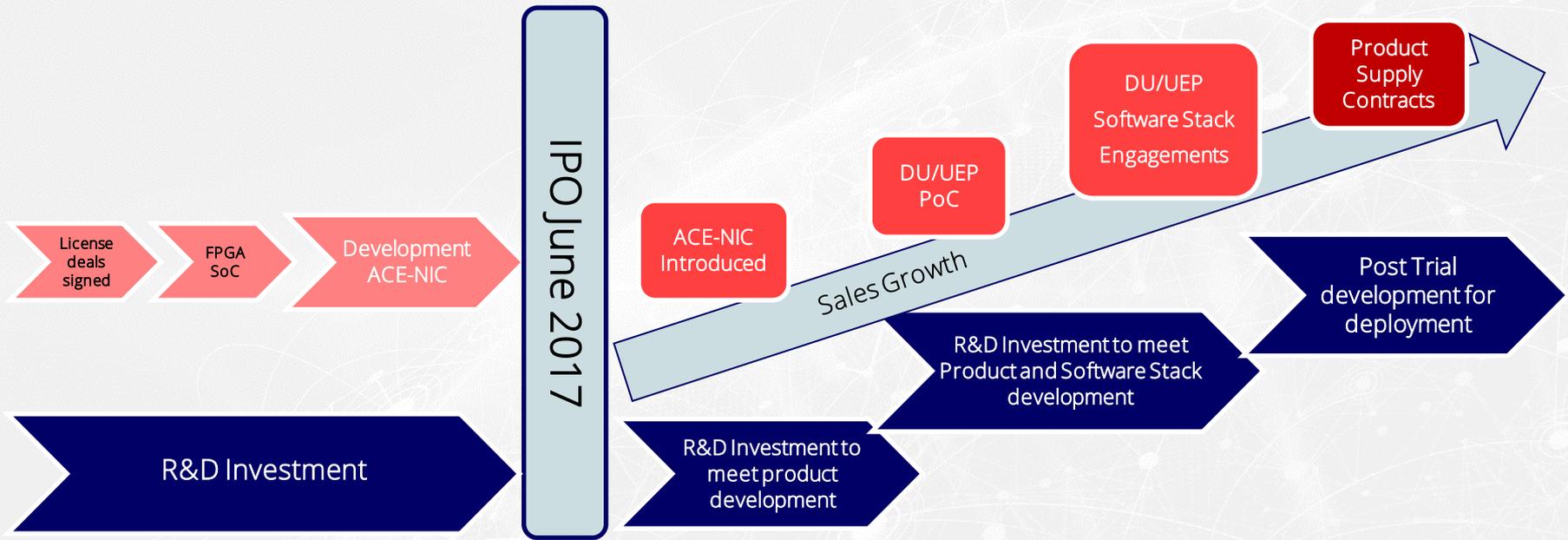
Competitive Landscape

	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
Ethernity	FPGA	✓	✓	Pay-as-you-grow licenses	✓	1	\$
Mellanox	ASIC	N/A	✗	✗	✗	20	N/A
Intel	ASIC/FPGA	✗	✓*	✗	✗	20	\$\$\$ (FPGA Option)
Amazon	ASIC	N/A	✗		✗	20	N/A
Napatech	FPGA	✓	✓	✗	✗	20	\$\$

* Dependent on 3rd-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

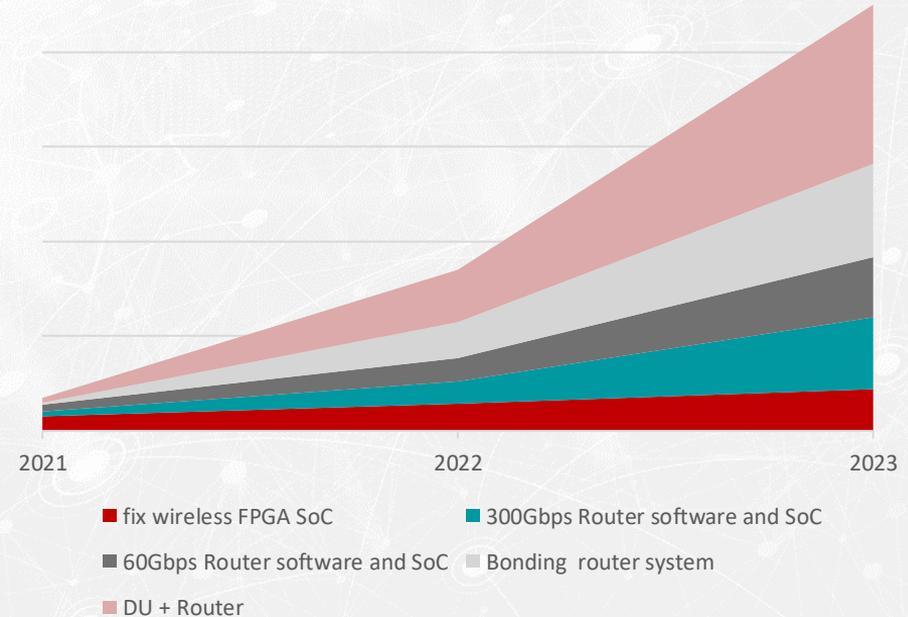
	<p>Wireless Connectivity Vendor</p>	<p>Fixed Wireless Access</p>	<p>Indian OEM</p>	<p>Opportunities: Tier-1 Server Vendors</p>
<p>ACE-NIC for 5G UPF</p> <p>Offer complete UPF product that includes use of open-source software and FPGA offload NIC</p> <p>Joint go-to-market focus on private Internet Of 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



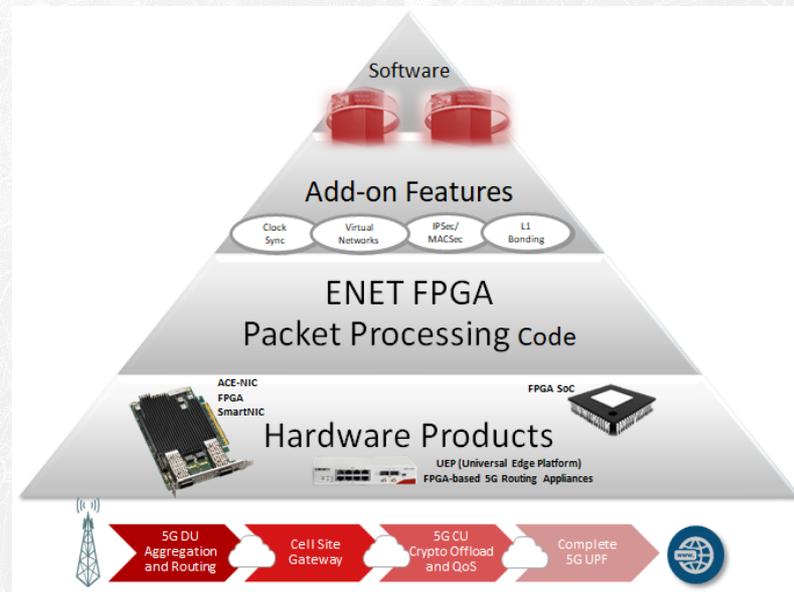
The virtual router market is expected to reach USD 707.80 million by 2027, indicating market growth at a rate of 23.35% in the forecast period of 2020 to 2027.

"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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