

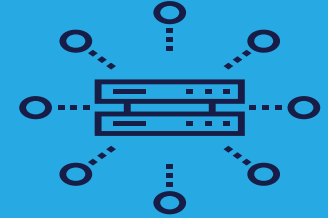
CAPITALIZING ON THE **5G** EVOLUTION



ENET.L RECOGNIZED AS A VENDOR TO WATCH BY GARTNER

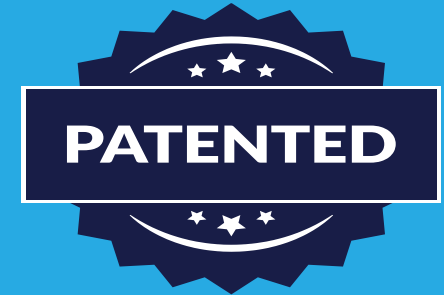
Who we are

- Innovative semiconductor networking technology provider, specializing in Data Processing and PON
- A full range of solutions, from customized semiconductor on FPGA or ASICs to the design of a complete networking system
- Focus on the following markets
 - **Fiber Access:** Serves Fiber To The Premises over Passive Optical Networking (PON) technology utilizing proprietary PON semiconductor technology
 - **Ethernet Access:** Utilized in house data processing technology to allow adaptation for different use cases and integrated innovative functions
 - **Open Radio Access Network (RAN):** Accelerated performance for cloud-based networking functions
- Go to Market: OEM / ODM



1,000,000

ETHERNITY INSIDE
SYSTEMS DEPLOYED
WORLDWIDE



6 PATENTS

WITH 3 MORE PENDING

INTEGRATED PATENTED
LINK-BONDING

Ethernity Role in the Network

User Traffic



Technology

Ethernity's solution processes millions of customer flows to deliver a better user experience, congestion control, security, and forwarding to/from the right content source

Content Providers



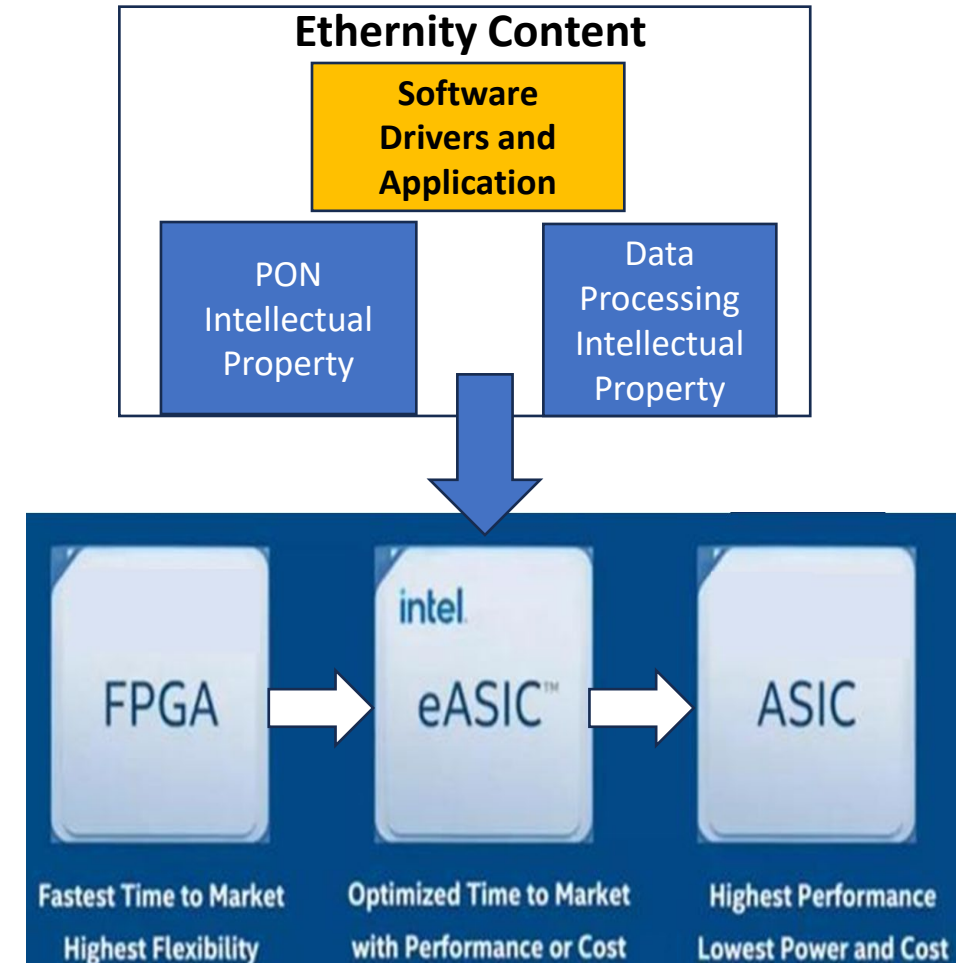
Carrier Data Centre



Ethernity Enablement and Markets

The **5G** Infrastructure build-out is underway, and Ethernity offers networking and fiber access semiconductor technology and software over FPGA or cost reduced eASIC. This addresses a need in this growing market.

1. **Fiber Access:** Serves Fiber To The Premises over Passive Optical Networking (PON) technology utilized in house PON semiconductor technology
2. **Ethernet Access:** Utilized in house data processing technology to allow adaptation for different use cases and integrated innovative functions
2. **Wireless backhaul Offering:** Patented Link Bonding to assist deployment of fiber throughput over wireless
3. **Open Radio Access Network (RAN):** Accelerate performance for cloud-based networking functions



Massive, disruptive market for Enterprises, IoT, and network infrastructure

Focused Growing Markets

Carrier Ethernet Access Switch

- The Market

Aggregate User Traffic delivering traffic monitoring prioritization, traffic management and security

- Massed deployed technology

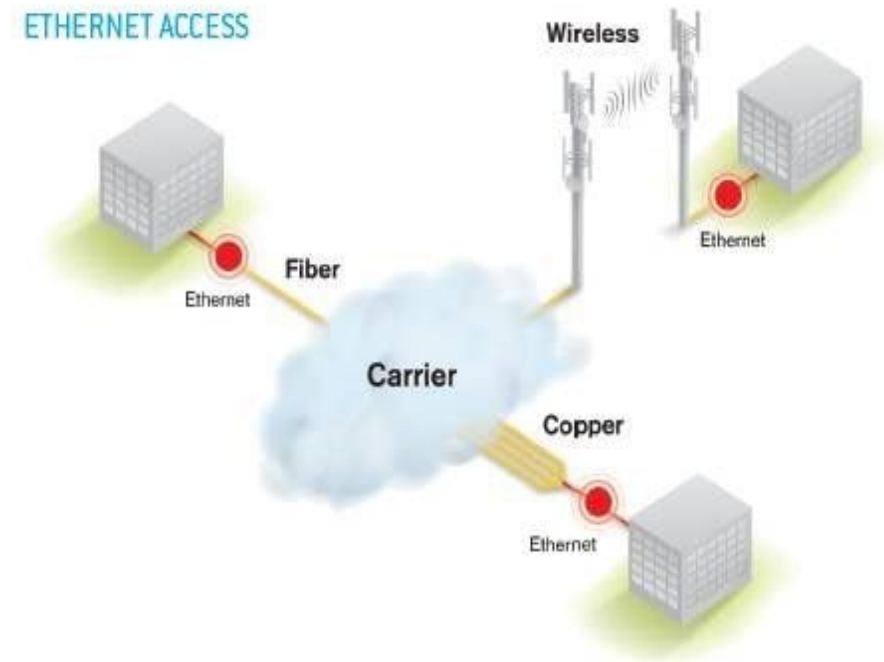
Carrier Ethernet Switch IP delivered on Company's customer platforms with more than 1,000,000 system deployed

- Ethernity Key advantage

- Carrier Ethernet appliance embedding unique and valuable networking AI functions
- Advance network monitoring
- Wireless Backhaul with link bonding- Patent

- Outlook

- The Company Universal Edge Platform (UEP) is currently in pre-engagement stage at several OEMs with a goal to martialized business during 2024



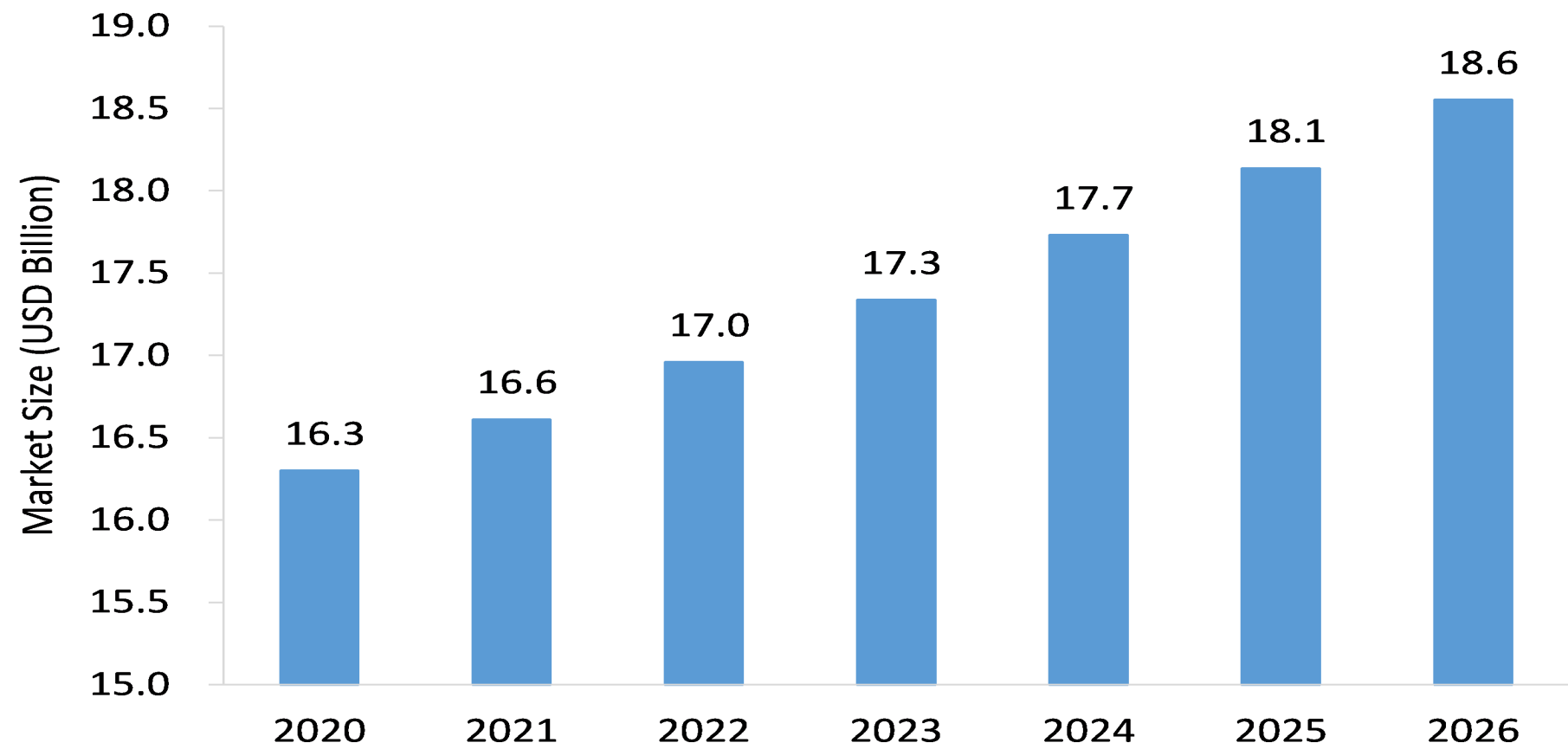
Aggregates Ethernet User Traffic Over
Copper , Wireless or fiber

Focused Growing Markets

Carrier Ethernet Access Switch

\$18B EST. MKT (2026) Source: Market insight

CARRIER ETHERNET ACCESS Devices




Focused Growing Markets

Fiber Access Technology based on PON

- The PON Market

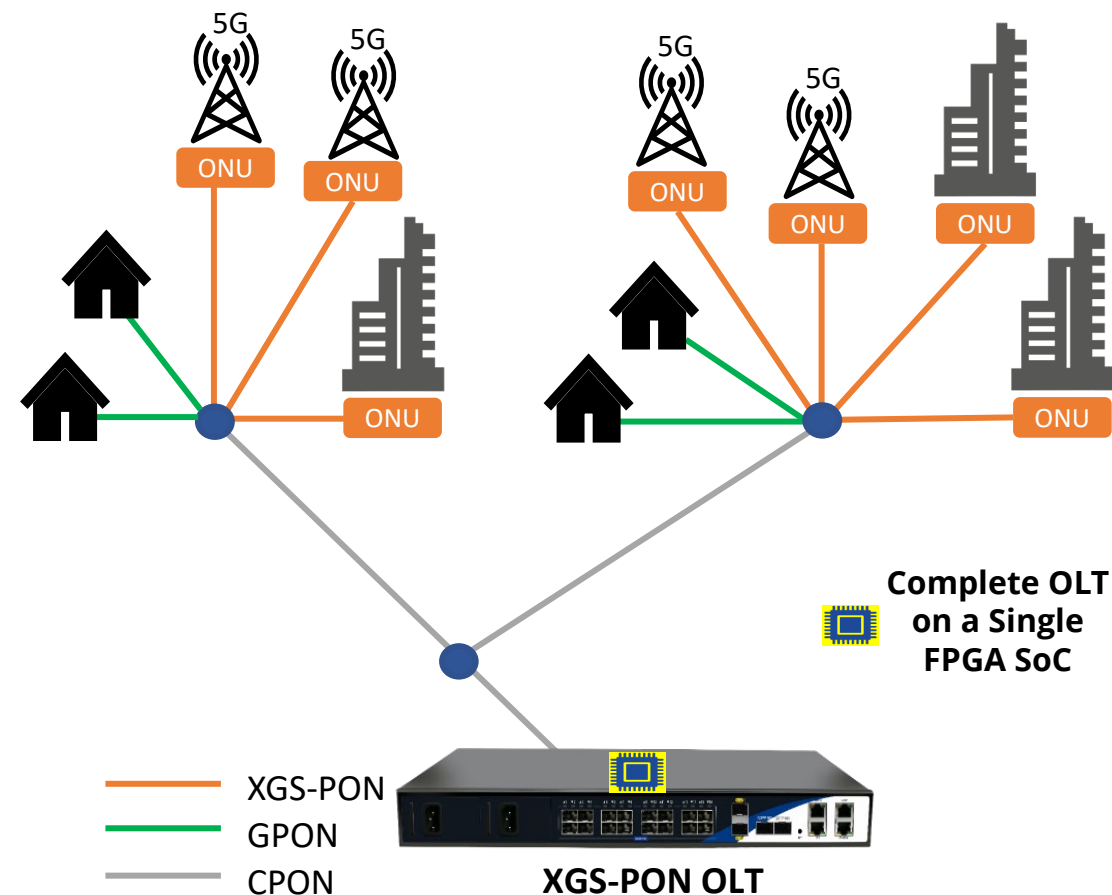
- Cost effective fiber access technology that utilize passive splitters to connect multiple users
- Reducing dramatically power consumption
- The dominated Fiber access technology

- Ethernity Offering

- Innovative, differentiated and unique **complete OLT on single chip** specially target Remote OLT market 
 - Smallest Size OLT Box
 - Extended low power offering
 - Best in class PON
 - Best in class Carrier Ethernet

- Outlook

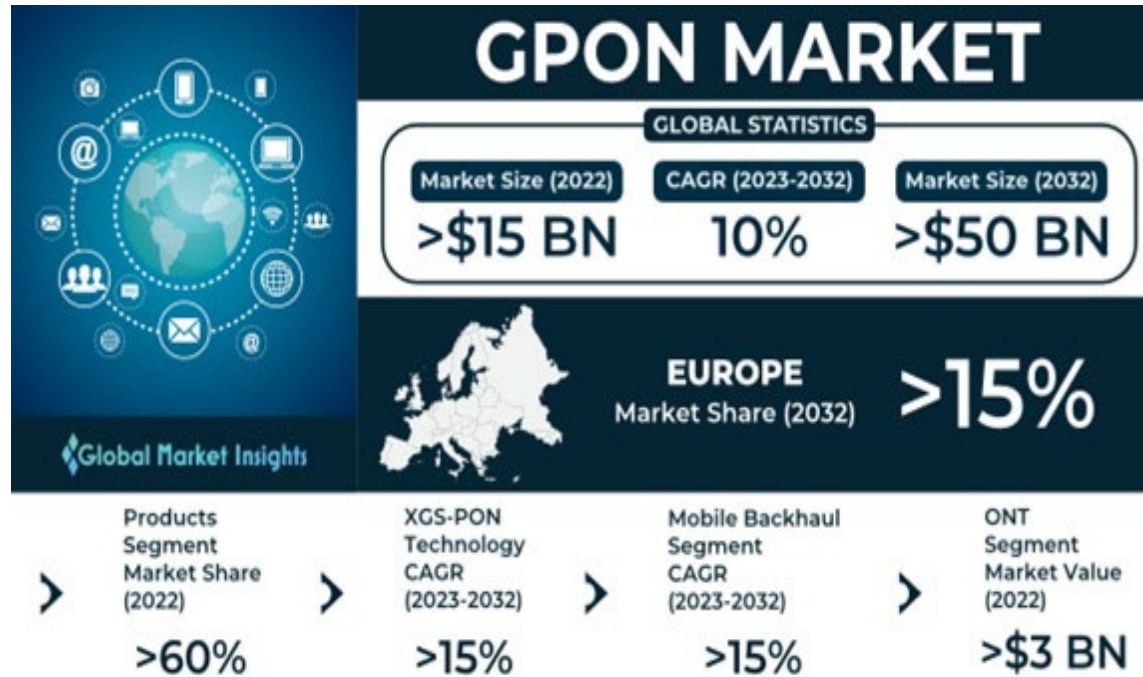
- The Company's OLT on single chip will lead the remote OLT market and subject to few new contracts from OEMs



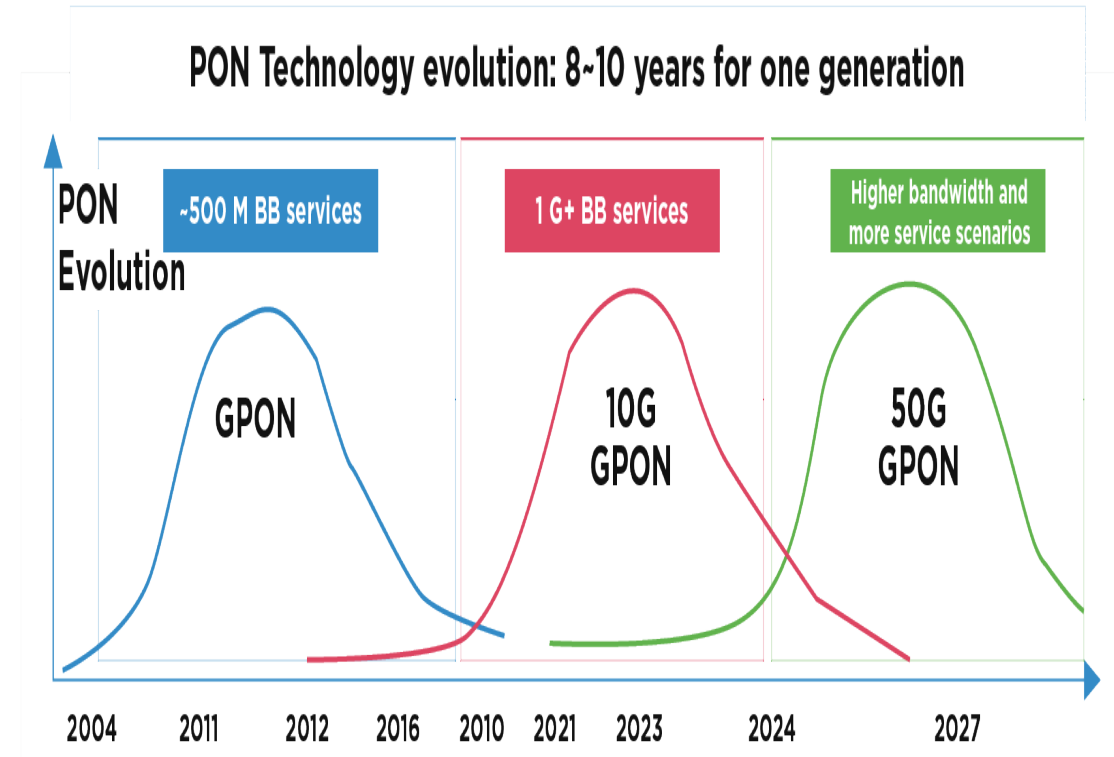
Single Strand of Fiber connect 128 End Points using passive optical splitter

Focused Growing Markets Fiber Access Technology based on PON

\$50B EST. MKT (2032) Source: Global Market Insights
PASSIVE OPTICAL NETWORK (PON)



Ethernity Targets:
IoT, Smart City, MDUs, and backhaul market

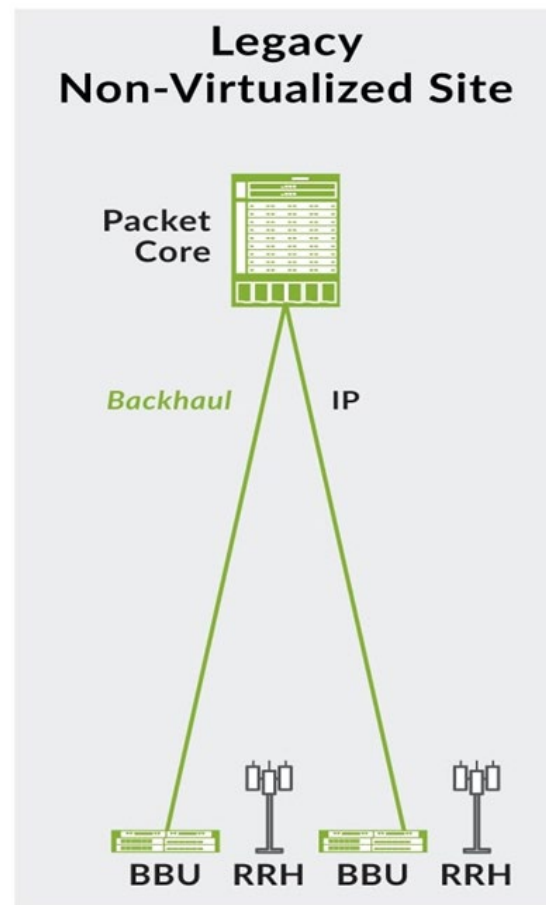


Currently supported by Ethernity tech:
GPON, 10G GPON and 50G GPON in plans

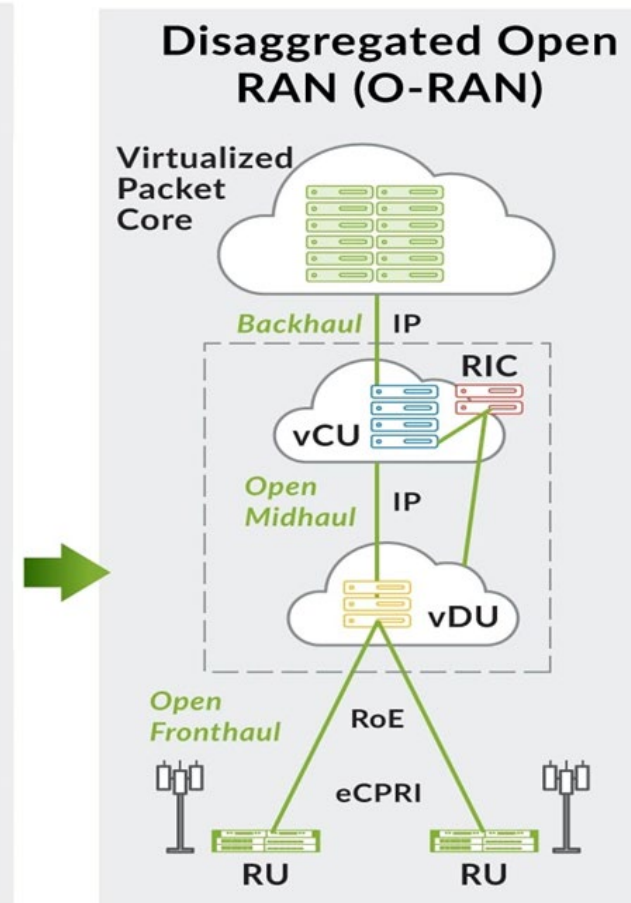
Focused Growing Markets

What Is Open RAN

- Radio Access Network (RAN) is the Mobile access Network
- Legacy Network resides all the intelligent at the edge of the network
- 5G Mobile Network is build based on virtualized cloud services that splits the network into various elements each located in different points
- Open RAN Radio Access Network (RAN) currently dominated by the large incumbent vendors (Ericsson, Nokia.. and Chinses vendors) that offers the entire network
- It is predicted that Open RAN will gradually open for multi vendors open market offering innovative best in class offerings



RRH = Remote Radio Head
BBU = Baseband Unit



RIC = RAN Intelligent Controller
CU = Centralized Unit
DU = Distributed Unit
RU = Remote Unit

Focused Growing Markets Open RAN

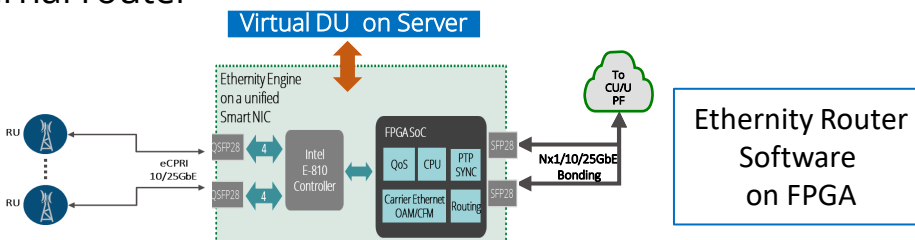
\$32B EST. MKT (2030)

- Open RAN Market

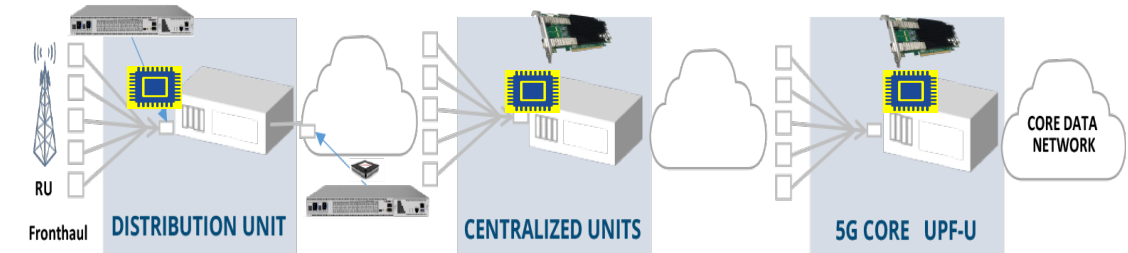
- Still dominated by traditional single vendor RAN
- New Tier 1 vendors emerge with Open RAN offering
- Multi vendor open RAN offering where each provide best in class pieces for the Radio network started to pick up

- Ethernity Offering

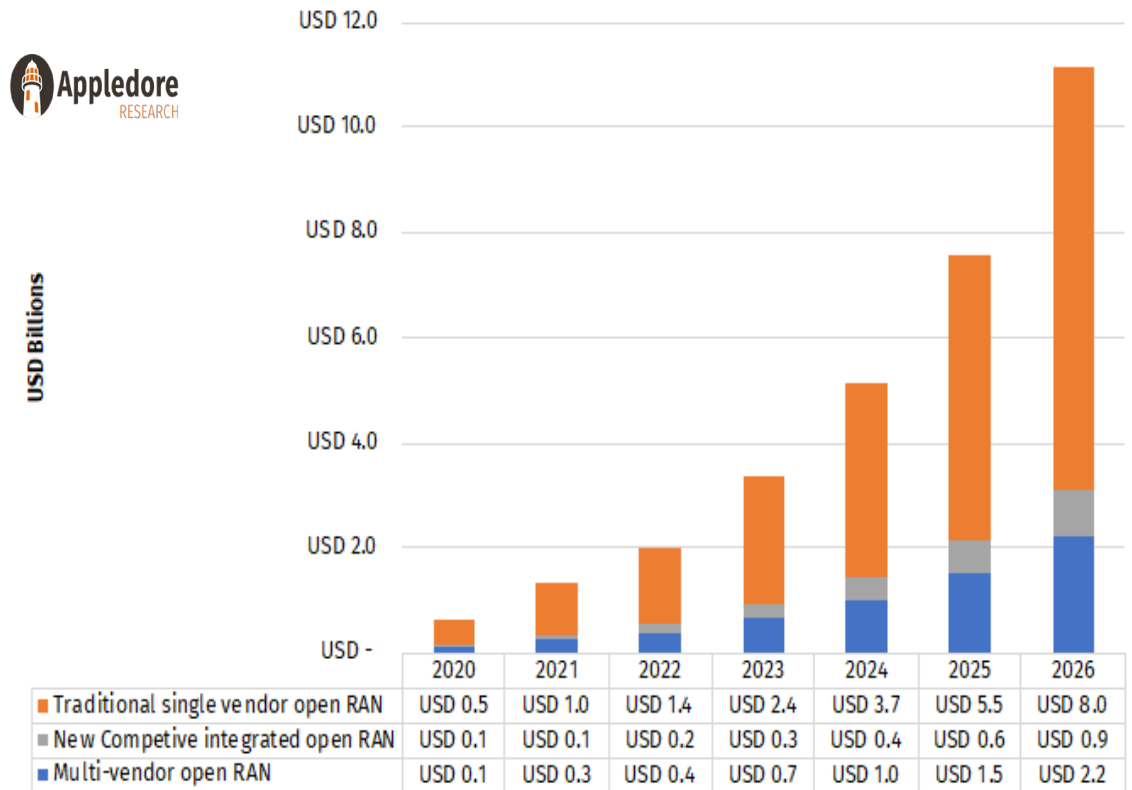
- Ethernity Data Processing functions deliver unique and innovative Router on a NIC for native cloud environment
- Targeted for Virtual Distribution Units with a need for integrated router for deployment on Commercial off the Shelf FPGAs to eliminate the need for the use of external router



ETHERNITY
NETWORKS



Appledore
RESEARCH



Intellectual Property & Case Studies

DATA/NETWORK PROCESSING

ENET SoC

- ✓ All-in-one Data processing Carrier Ethernet/Router technology to support 50G to 300Gbps on FPGA

KEY ADVANTAGES

- ✓ Integration of value-added functions , encryption, monitoring, queue analysis, DMA and bonding
- ✓ Fits into existing hardware, accelerating time-to-market
- ✓ 100% ownership of IP, can migrate to ASIC or FPGA vendor

REVENUE & GROWTH OUTLOOK

- ✓ Recurring revenue from OEM customer platforms with 950K deployed
- ✓ Massive growth in fixed wireless OEM business including selection for 2nd gen product as visible in H1 results
- ✓ Enablement of FPGA NIC and UEP solutions
- ✓ Active discussion on porting into eASIC

PON DEVICES

OLT/ONU MAC

- ✓ Uniquely architected devices with GPON and XGS-PON ports to enable 5G Fronthaul and Fiber Access deployments

KEY ADVANTAGES

- ✓ Low latency QoS HW based DBA algorithm decreases software resources on CPU
- ✓ Equipped with software SDK

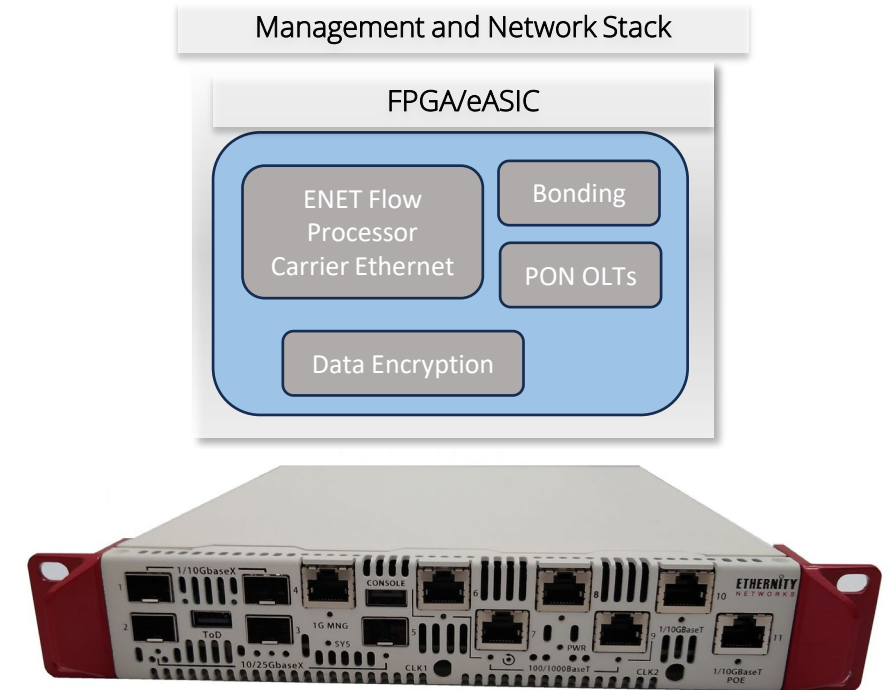
REVENUE & GROWTH OUTLOOK

- ✓ Engaged with Intel on delivering the PON technology to customer on eASIC platform.
- ✓ Engaged in a project for delivering a complete system, based on a design services payment (NRE) and licensing.
- ✓ Ongoing discussions with customers regarding 50G high speed PON

Universal Edge Platform (UEP)

- FPGA SoC (System-on-Chip) based appliance platforms implementing Carrier Ethernet Switch as a base with the following additional functions
 - Router
 - Wireless link bonding
 - Traffic monitoring
 - Encryption/ security
 - XGS-PON / Combo PON OLT
- Protocol Stack and management
 - Ethernity owns stack
 - Integration with 3rd party routing Stack
- Business model
 - Engage with customers on delivering complete licensed based system
 - Recurrent revenue from FPGA/ASIC and software application

Universal Edge Platform (UEP)



**All programmable platforms
serve various
market opportunities**

2023 REVENUE Guidelines

- Diverse sales mix – FPGA SoC, maintenance, support and licensing
- Expected underlying gross profit of \$2.75m and revenue of \$3.76m for FY 2023 (73% margin) versus \$1.59m gross profit and \$2.97m revenue in FY 2022 (54% margin).
 - Total expected cash collection for FY2023 : \$4.5m - \$4.7m with \$1.5m - \$1.7m in Q4.
- 2023 EBITDA: Estimated EBITDA loss of \$3.6m vs. EBITDA loss of \$6.4m in 2022.
- Monthly expenses : \$360k compared to \$660k monthly expenses in June 2023.
- Revenue segments: Licensing, Maintenance, NRE and Sales of FPGA SoC

Item/ Year	2022 Audited	2023 Estimated*	%
Revenue	2,937,424	3,770,000	28%
Underlying Gross Profit	1,598,328	2,750,000	72%
Operating Expenses	10,310,185	6,200,000**	(44%)
EBITDA	(6,431,146)	(3,600,000)	(40%)

* Pending audit completion

** Estimated operating expenses for 2024 : \$4m - \$4.5m with a goal of generating positive cashflow

FINANCIALS: H1 2023

Income Statement Results

	US Dollar			Increase	
	For the 6 months ended		31-Dec	(Decrease)	%
	30-Jun			June	
	2023	2022	2022		
REVENUES	1,398,871	704,853	2,937,424	694,018	98%
GROSS PROFIT	802,494	428,761	1,598,328	373,733	87%
Add back non recurring IFRS impairment	193,537	-	-		
Underlying Gross Margin %	71%	61%	54%	10 pps	
<i>Gross Margin %</i>	<i>57%</i>	<i>61%</i>	<i>54%</i>	<i>-3 pps</i>	
Research and development expenses	3,241,579	3,276,067	6,618,795	- 34,488	-1%
General and administrative expenses	926,293	1,001,705	2,523,916	- 75,412	-8%
Marketing expenses	408,877	629,020	1,152,493	- 220,143	-35%
OPERATING LOSS	- 3,774,255	- 4,478,031	- 8,696,876	703,776	-16%
Financing costs	- 163,008	- 274,565	- 573,388	111,557	-41%
Financing income	322,814	1,249,863	1,267,652	- 927,049	-74%
NET COMPREHENSIVE LOSS FOR THE PERIOD	- 3,614,449	- 3,502,733	- 8,002,612	- 111,716	3%

FINANCIALS: Summary

Income Statement Results	US Dollar		Increase (Decrease)	%
	31-Dec	31-Dec		
	2022	2021		
REVENUES	2,937,424	2,635,420	302,004	11%
GROSS PROFIT	1,598,328	1,944,903	- 346,575	-18%
Gross Margin %	54%	74%	-3 pps	
Research and development expenses	6,618,795	5,550,912	1,067,883	19%
General and administrative expenses	2,523,916	1,721,873	802,043	47%
Marketing expenses	1,167,534	1,044,905	122,629	12%
Other Income	- 15,041	- 45,312	30,271	-67%
OPERATING LOSS	- 8,696,876	- 6,327,475	- 2,369,401	37%
Financing costs	- 573,388	- 3,074,452	2,501,064	-81%
Financing income	1,267,652	228,404	1,039,248	455%
Tax expense (benefit)	-	- 186,772		
NET COMPREHENSIVE LOSS FOR THE PERIOD	- 8,002,612	- 9,360,295	1,357,683	-15%

BOARD OF DIRECTORS



DAVID LEVI **CEO**

30 years in the telecom industry, with vast technical and business experience.

Prior to Ethernity, David was the founder of Broadlight, a company that developed BPON and GPON which was sold to Broadcom for \$230M.

Prior to that, David worked at ECI Telecom as Product Marketing Director, at RAD and Tadiran as Product Manager.



SHAVIT BARUCH **VP R&D**

30 years in telecom, with vast technical experience in networking technologies and protocols, both at components and system level.

Prior to Ethernity, Shavit served as Chief Architect at Native Networks (Metro Ethernet solutions), founded Crescendo Networks, and served as R&D Director for broadband transmission cards at ECI Telecom.



AYALA DEUTSCH **CFO**

More than 15 years of financial experience in international high-tech companies. Served previously as Corporate Controller at Glide, and prior to that, as auditor at KPMG.

Ayala is a Certified Public Accountant in Israel and has obtained her MBA, majoring in Financial Management at the Hebrew University in Jerusalem.



YOSI ALBAGLI **NON-EXECUTIVE CHAIRMAN***

Yosi comes from an engineering background, focussing on strategy, business, technology, and management. He is the Co-Founder and Chairman of Over-Sat. Yosi served as President of Satellite Communications at Orbit Technologies (TLV: ORBI). He was the Co-Founder and CEO of Tdsoft, and after Tdsoft's acquisition of VocalTec (NASDAQ: VOCL) Yosi served as President, CEO, and Director of VocalTec.



RICHARD BENNETT **NON-EXECUTIVE DIRECTOR***

Richard has 30 years business and listed company experience. He has held executive, chairman and non-executive roles in successful growth-focused technology and clean energy companies including, previously AIM-quoted MTI Wireless Edge and currently AIM-quoted GETECH plc, and China New Energy.

* Independent

WHY ETHERNITY?

FROM THE TOWER TO THE 5G CORE

THE ONLY VENDOR That Offers Routing Function On FPGA NIC

LINK BONDING Allows Better Utilization Of The Network

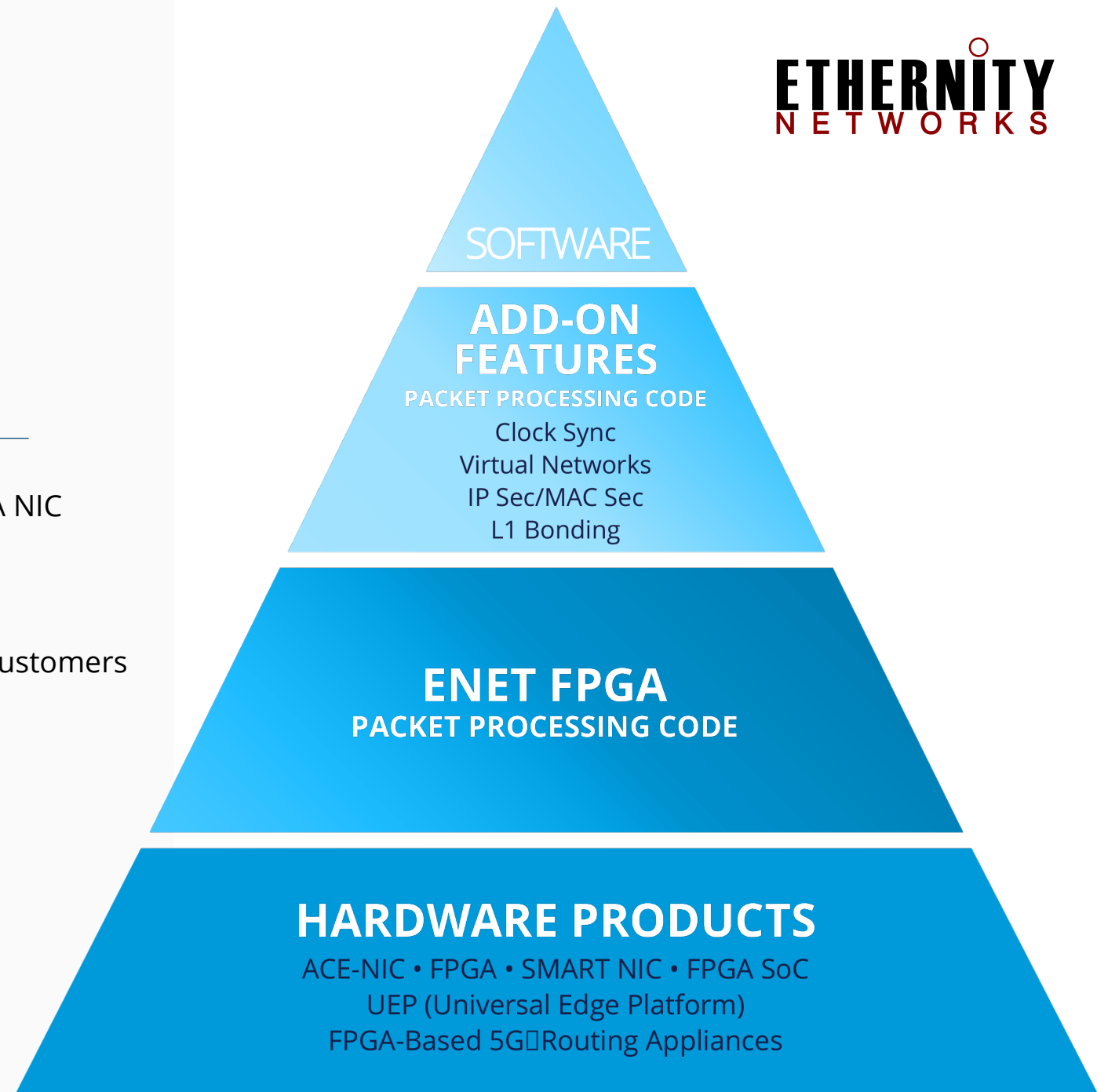
HIGHER PORT COUNT Resulting In Additional Saving For Customers

FASTER INNOVATION To Adopt The Latest Technologies

FLEXIBILITY In Adoption Of New Network Solutions

DIFFERENTIATED PRODUCTS For The Telecom Market

CURRENT MARKET ENABLEMENT Through Disaggregated
HW Platforms And Open RAN



THANK YOU!

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