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6 November 2025

Ethernity Networks Limited
(“Ethernity” or the “Company”)

Placing, Convertible Loan Note and Notice of EGM

Ethernity Networks Limited (AIM: ENET.L; OTCMKTS: ENETF), a leading supplier of data processing and PON semiconductor technology for networking appliances, is pleased to announce a proposed fundraising of £342,500 (approximately US\$447,000) before expenses (the “**Fundraising**”) and provides notice of an extraordinary general meeting of the Company (the “**EGM**”). The Fundraising comprises:

- A placing of 711,427,301 new ordinary shares of NIS 0.001 each (“**Ordinary Shares**”) at an issue price of £0.0002249 (0.02249p) per share (the “**Placing Price**”) to raise a total of £160,000 (the “**Placing**”); and
- The issuance of a convertible loan note to raise a further £182,500 (the “**CLN**”).

The Fundraising is being undertaken by Peterhouse Capital Limited (“**Peterhouse**”).

Notice of EGM

Due to the Company’s current inability to issue new Ordinary Shares below their par value of NIS 0.001 (0.02249p) (“**Current Par Value**”), the board of Ethernity (“**Board**”) is proposing to reclassify the Company’s share capital to a no par value (“**NPV**”) structure. This would result in the reclassification of each Ordinary Share of NIS 0.001 each into one ordinary share of NPV (the “**NPV Ordinary Shares**”) (the “**Reclassification**”). This change will provide greater flexibility for future equity issuances and is a key condition for the CLN conversion terms, as detailed further below.

Under Israeli Companies Law, the par value of the Company’s shares can be reclassified following the approval of a reclassification resolution at a general meeting of the Company. The Company is therefore convening the EGM, to be held at 11.00 a.m. Israel time (9.00 a.m. UK time) at the offices of the Company at 3rd Floor Beit Golan, 1 Golan St., Corner HaNegev, Airport City 7019900, Israel on 2 December 2025. At the EGM, shareholders will be asked to approve resolutions to enable:

- the Reclassification and associated amendments to the Company's articles of association; and
- an increase in the Company's authorities to allow the issue and allotment of up to 15,000,000,000 shares on a non-pre-emptive basis (together, the "**EGM Resolutions**").

Background to and reasons for the Fundraising

In its interim results for the six months ended 30 June 2025 ("**Interims**"), the Company announced its revised strategy for the commercialisation of the ASIC opportunity. The Company is actively engaged in discussions with leading semiconductor vendors regarding a potential partnership to develop an ASIC solution targeting the wireless backhaul and broadband access markets. These discussions are supported by strong interest from Tier-1 wireless backhaul equipment vendors.

As announced in the Interims, whilst the revised ASIC opportunity would have a significantly lower capital requirement for Ethernity, the Company is required to raise funds to meet its immediate working capital needs and is therefore undertaking the Fundraising. The Directors also believe that the Fundraising will strengthen the Company's position in its negotiations with semiconductor vendors and assist with progress towards a strategic collaboration.

Use of Proceeds

The net proceeds of the Fundraising will be used to support the Company's general working capital requirements and repay short-term debt and creditor obligations, which amount to several tens of thousands of U.S. dollars per month. It is anticipated that the Company will be required to raise additional funds within the next 12 months.

Details of the Placing

The Company has conditionally raised a total of £160,000 via the Placing through the issue of 711,427,301 Ordinary Shares (the "**Placing Shares**") at the Placing Price of 0.02249p, which is equal to the Current Par Value. The Placing Shares have been issued utilising the Company's existing authorities to issue new Ordinary Shares on a non-pre-emptive basis. The Placing Price represents a premium of 87% to the closing mid-market price of an Ordinary Share on 5 November 2025.

Details of the CLN

The Company has conditionally raised a further £182,500 via the issuance of the CLN. In recognition of participating in the Placing at a premium to the current share price, investors in the Placing are participating in the CLN on a pro rata basis. The CLN is unsecured and is not interest bearing. The CLN maturity date is 5 December 2025. Holders of the CLN will be required to pay the CLN subscription amounts to the Company by 5 December 2025. On maturity, the CLN will automatically convert into ordinary shares in the Company, calculated as follows:

- If the EGM Resolutions are passed, once the Reclassification completes the CLN will automatically convert into 4,284,037,559 new NPV Ordinary Shares at a conversion price of £0.0000426 (0.00426p), representing a discount of 65% to the closing mid-market price of an Ordinary Share on 5 November 2025. These shares would be issued utilising the share issuance authorities granted at the EGM.
- If the EGM Resolutions are not passed, the Company will attract a 428% penalty charge under the CLN, equivalent to £780,980. As a result, the amount due under the CLN will increase to £963,480. The CLN will automatically convert at a conversion price of 0.02249p, being the Current Par Value,

resulting in the issue of 4,284,037,559 new Ordinary Shares. These shares would be issued utilising the Company's existing authorities to issue new Ordinary Shares on a non-pre-emptive basis.

As a result, a total of 4,284,037,559 new shares in the share capital of the Company will be issued pursuant to the CLN conversion (the “**Subscription Shares**” and, together with the Placing Shares, the “**Fundraising Shares**”). In total, 4,995,464,860 Fundraising Shares will be issued, equivalent to 50% of the Company's share capital as would be enlarged by the Fundraising. Based on the cash that the Company will receive pursuant to the Fundraising and the total number of Fundraising Shares that will be issued, the average theoretical price at which the Fundraising Shares have been issued is 0.0065p, representing a discount of 43% to the closing mid-market price of an Ordinary Share on 5 November 2025. The Fundraising Shares will rank *pari passu* with the Company's existing ordinary share capital.

Details of the Reclassification

Assuming the passing of the EGM Resolutions, each existing Ordinary Share will be automatically reclassified as a NPV Ordinary Share. On completion of the Reclassification, the Company's shares will continue to trade on AIM under the existing depository interest under the current ISIN IL0011410359 and existing ticker “ENET”. Existing share certificates should be retained and will remain valid following the Reclassification.

The elimination of the nominal value of the Ordinary Shares is not intended to modify the rights of existing shareholders of Ethernity (“Shareholders”), however Shareholders should be aware that the Company would be able to issue and allot NPV Ordinary Shares at an issue price below the Current Par Value. The Directors consider that it is appropriate to undertake the Reclassification to facilitate the Fundraising and provide the Company with flexibility and improved prospects for accessing future capital.

The timetable for the Reclassification is as follows:

	<i>Date and time*</i>
Posting of the EGM notice	06 November 2025
Latest time and date for receipt of forms of direction and electronic proxy appointments via the CREST system	9:00 a.m. on 27 November 2025
Latest time and date for receipt of forms of proxy	9:00 a.m. on 28 November 2025
EGM	9:00 a.m. on 02 December 2025
Change in the nominal value of Ordinary Shares of NIS 0.001 each to NPV	05 December 2025

**all times refer to UK time*

Admission to Trading

Application will be made for the admission of the 711,427,301 Placing Shares to trading on AIM (“**Admission**”). Admission is expected to occur at 8.00 a.m. on or around 12 November 2025.

Total Voting Rights

Following Admission, the Company's enlarged issued share capital will comprise 5,747,790,934 Ordinary Shares. The Company holds no shares in treasury. This figure may be used by shareholders for the purposes of the FCA's Disclosure Guidance and Transparency Rules.

David Levi, Chief Executive Officer, commented: *"Based on the strong interest expressed by leading wireless backhaul vendors in securing the planned ASIC from our prospective semiconductor partner, I believe this Fundraising will enable the Company to advance its ASIC strategy and hopefully execute on a potential collaboration. This represents a significant step towards delivering a differentiated solution for the wireless backhaul and broadband access markets."*

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About Ethernity Networks

Ethernity Networks (AIM: ENET.L; OTCMKTS: ENETF) provides innovative networking and security solutions on programmable hardware, enhancing telco/cloud infrastructure capacity. Its semiconductor logic enables advanced data processing for networking applications, alongside patented wireless access and fiber media controllers. Ethernity's solutions accelerate time-to-market and support the deployment of 5G over wireless and fiber infrastructure.