

25 May 2023

**ETHERNITY NETWORKS LTD.**  
("Ethernity" or the "Company")

**Variation of warrant instruments**

Ethernity Networks (AIM: ENET.L; OTCQB: ENETF), a leading supplier of data processing semiconductor technology for networking appliances, announces a variation of the exercise price of the warrant instruments (the "**Warrants**") that were granted in connection with the fundraise undertaken by the Company in January 2023 (the "**January Fundraise**").

The net proceeds of the January Fundraise and the Company's fundraise in May 2023 (the "**May Fundraise**"), have, *inter alia*, provided the Company with additional working capital to support the delivery of customer contracts. The Directors believe that the proceeds that would be receivable by the Company through the exercise of any of the Warrants would further strengthen the Company's balance sheet and provide additional confidence to prospective customers as to the Company's financial position. It would also provide additional working capital to support the fulfilment of anticipated new customer orders.

The initial 15p exercise price of the Warrants represents a premium of over 400% to the closing mid-market price of an Ordinary Share on 24 May 2023. The Directors consider therefore that it is appropriate to amend the exercise price of the Warrants to a level that is more attractive to Warrant holders and which would still provide meaningful funding to the Company should the Warrants be exercised in full.

The Company has on 24 May 2023, varied the exercise price of the 23,571,430 Warrants from 15p to 6p per new ordinary share in the Company ("**Ordinary Share**"), representing a 107% premium to the closing mid-market price of an Ordinary Share on 24 May 2023 and a 100% premium to the issue price of the Company's recent placing, announced on 11 May 2023. In addition, the Warrants contain an "accelerator clause" whereby the Company is entitled to require the warrant holder to exercise the subscription rights to which to which the holder is entitled in the event that the mid-market price of an Ordinary Shares should close above a certain price for any period of five consecutive days prior to expiry on 8 February 2025. This "accelerator clause" has been varied from 20p to 7.5p, applicable on the same basis as outlined above and in the Warrants.

All of the terms of the Warrants remain unchanged and as announced on 17 January 2023. The expiry date of the Warrants remains as 8 February 2025.

**Related party transaction**

David Levi and Shavit Baruch (the "**Directors**") hold 3,028,571 and 668,771 Warrants respectively, by virtue of their participation in the January Fundraise. The variation of the exercise price of the Warrants held by the Directors constitutes a related party transaction under the AIM Rules for Companies. The independent directors of Ethernity (excluding David Levi and Shavit Baruch) consider, having consulted with the Company's nominated adviser, Allenby Capital Limited, that the terms of the transaction are fair and reasonable insofar as the Company's shareholders are concerned.

The FCA notification, made in accordance with the requirements of the UK Market Abuse Regulation is appended further below.

For further information, please contact:

**Ethernity Networks Ltd** Tel: +972 8 915 0392  
David Levi, Chief Executive Officer  
Mark Reichenberg, Chief Financial Officer

**Allenby Capital Limited** (Nominated Adviser and Joint Broker) Tel: +44 (0)20 3328 5656  
James Reeve / Piers Shimwell (Corporate Finance)  
Amrit Nahal (Sales and Corporate Broking)

**Peterhouse Capital Limited** (Joint Broker) Tel: +44 (0)20 7562 0930  
Lucy Williams / Duncan Vasey / Eran Zucker

**About Ethernity** ([www.ethernitynet.com](http://www.ethernitynet.com))

Ethernity Networks (AIM: ENET.L OTCQB: ENETF) provides innovative, comprehensive networking and security solutions on programmable hardware that increase telco/cloud network infrastructure capacity. Ethernity's semiconductor logic offers data processing functionality for different networking applications, innovative patented wireless access technology, and fibre access media controllers, all equipped with control software with a rich set of networking features. Ethernity's solutions quickly adapt to customers' changing needs, improving time-to-market, and facilitating the deployment of 5G over wireless and fibre infrastructure.

**Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them.**

1	Details of the person discharging managerial responsibilities / person closely associated
---	---

a)	NAME	DAVID LEW				
<b>2</b>	<b>Reason for the notification</b>					
a)	Position/status	CEO				
b)	Initial notification /Amendment	Initial notification				
<b>3</b>	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>					
a)	Name	Ethernity Networks Ltd.				
b)	LEI	213800LZJO33QBNXU496				
<b>4</b>	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>					
a)	Description of the financial instrument, type of instrument  Identification code	Warrants over ordinary shares of NIS 0.001 nominal value each  ISIN: IL0011410359				
b)	Nature of the transaction	Variation of exercise price of existing warrants over ordinary shares				
c)	Price(s) and volume(s)	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>6p exercise price</td> <td>3,028,571</td> </tr> </tbody> </table>	Price(s)	Volume(s)	6p exercise price	3,028,571
Price(s)	Volume(s)					
6p exercise price	3,028,571					
d)	Aggregated information	N/A				
e)	Date of the transaction	24 May 2023				
f)	Place of the transaction	Outside a trading venue				

<b>1</b>	<b>Details of the person discharging managerial responsibilities / person closely associated</b>					
a)	Name	Shavit Baruch				
<b>2</b>	<b>Reason for the notification</b>					
a)	Position/status	Director				
b)	Initial notification /Amendment	Initial notification				
<b>3</b>	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>					
a)	Name	Ethernity Networks Ltd.				
b)	LEI	213800LZJO33QBNXU496				
<b>4</b>	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>					
a)	Description of the financial instrument, type of instrument  Identification code	Warrants over ordinary shares of NIS 0.001 nominal value each  ISIN: IL0011410359				
b)	Nature of the transaction	Variation of exercise price of existing warrants over ordinary shares				
c)	Price(s) and volume(s)	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>6p exercise price</td> <td>668,771</td> </tr> </tbody> </table>	Price(s)	Volume(s)	6p exercise price	668,771
Price(s)	Volume(s)					
6p exercise price	668,771					
d)	Aggregated information	N/A				
e)	Date of the transaction	24 May 2023				
f)	Place of the transaction	Outside a trading venue				

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCAIMFTMTBTBAJ