

9 August 2023

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

FPGA SoC contracts update

Ethernity Networks (AIM: ENET.L; OTCQB: ENETF), a leading supplier of data processing semiconductor technology for networking appliances, is pleased to provide an update on two contracts previously announced on 12 October 2021, for a wireless backhaul solution, and 16 November 2022, for a broadband wireless access solution (the "Contracts"). The Contracts have a combined value of \$740,000.

As previously announced, the Company has experienced delays in various existing customer contracts and these delays have included the two Contracts. The Company has completed the development of the field programmable gate array ("FPGA") data processing unit ("DPU") firmware for each Contract in preparation for receipt of the required prototype hardware from the respective customers so that the FPGA's DPU firmware can be integrated into the customers' products. However, to date the customers have been unable to deliver the required hardware to the Company.

The Company has now been notified by the two customers that they intend to deliver their prototype hardware during Q4 2023. Once delivery of the hardware has taken place, the Company will be able to complete the Contracts and invoice for the remaining balance, which equates to approximately \$550,000 in total. Subject to receiving the hardware from the Customers in the anticipated timeframe, the Contracts are expected to be fulfilled during Q4 2023 and Q1 2024.

David Levi, CEO of Ethernity Networks, commented: "The completion of these two contracts will demonstrate the Company's ongoing success in providing unique telecommunications networking technology on low-cost FPGA and the value that Ethernity's DPU technology provides for vendors who seek to deliver a differentiated networking solution."

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About Ethernity (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 PON 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 access infrastructure.

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