

26 October 2023

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

Director's Loan and Related Party Transaction

Further to the Company's announcement on 26 October 2023, Ethernity Networks Ltd (AIM: ENETL; OTCMKTS: ENETF), a leading supplier of networking processing semiconductor technology ported on field programmable gate arrays ("FPGAs") for virtualised networking appliances, announces that David Levi, CEO, has agreed to provide the Company with a loan for up to 1,000,000 NIS (approximately £203,000) which will carry zero interest (the "Loan"). The amount to be provided will be determined by the immediate cash requirements of the Company.

The term of the Loan is until the end of the Temporary Suspension of Proceedings ("TSP") process, details of which were announced on 12 October 2023 and 16 October 2023. Further announcements on the timing of this will be made in due course.

The Loan provides the Company with the interim funding to allow the Company to continue operating as a going concern whilst the Company aims to implement its temporary operating plan during the TSP process. The Loan has been approved by the Court and, pursuant to the terms of the TSP, entitles David Levi to be repaid the loan amount first as a priority creditor in any event.

The proceeds of the Loan will be utilised to cover the essential day to day running costs of the business.

Related party transaction

David Levi is a director of the Company and, as such, is considered a related party of the Company for the purposes of the AIM Rules for Companies. The Loan constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Having consulted with the Company's nominated adviser, Allenby Capital Limited, the Company's directors, with the exception of David Levi, consider that the terms of the Loan are fair and reasonable insofar as Ethernity's shareholders are concerned.

For further information, please contact:

Ethernity Networks Ltd
David Levi, Chief Executive Officer

Tel: +972 8 915 0392

Allenby Capital Limited (Nominated Adviser and Joint Broker)
James Reeve / Piers Shimwell (Corporate Finance)
Amrit Nahal / Stefano Aquilino (Sales and Corporate Broking)

Tel: +44 (0)20 3328 5656

Peterhouse Capital Limited (Joint Broker)
Lucy Williams / Duncan Vasey / Eran Zucker

Tel: +44 (0)20 7562 0930

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 or visit 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

UPDFEDFLMEDSEFS