

04 January 2024

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

Update on TSP process

Ethernity Networks Ltd (AIM: ENET.L; OTCMKTS: ENETF), a leading supplier of networking processing semiconductor technology ported on field programmable gate arrays ("FPGAs") for virtualised networking appliances announces an update on the Company's ongoing temporary suspension of proceedings ("TSP") process.

Further to the Company's announcement on 20 December 2023, a meeting of the Company's creditors took place earlier today to consider and vote on the Company's proposed settlement plan (the "**Settlement Proposal**"). Under the Settlement Proposal, there are three categories of creditors, being: (i) Guaranteed Creditors; (ii) Priority Creditors; and (iii) General Creditors. The significant majority of General and Guaranteed Creditors by number and creditor balance approved the Settlement Proposal. The Company has not yet received final votes from all the Priority Creditors (which represent approximately one quarter of the total creditor balance) and remains in discussion with them in order to obtain their votes. Subject to achieving the required level of creditor support for the Settlement Proposal, the TSP settlement manager will report back to the Court in Lod ("**Court**") to seek the Court's approval of the Settlement Proposal. A further update will be provided in due course.

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