

11 January 2024

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

Approval of settlement proposal by creditors

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

Further to the announcement on 04 January 2024, the Company is pleased to announce that it has now received approval of the proposal for the settlement of creditors under the TSP (the "**Settlement Proposal**") from all three creditor groups. Therefore, the Company has submitted the Settlement Proposal to the Court in Lod (**Court**) to seek its approval. The Court is expected to schedule a court hearing to consider and approve the Settlement Proposal. Should the Settlement Proposal receive Court approval, the Company will exit the TSP process.

Under the Settlement Proposal, valid creditors will be repaid in full over a period of 12 months, in four quarterly instalments, with the first payment being made within 90 days of exiting the TSP. Guaranteed and Priority Creditors would have priority for repayment, followed by General Creditors. According to the Company's financial registers, the total creditor balance subject to the Settlement Proposal is US\$1.6 million.

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