

01 March 2024

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

Proposed appointment of external directors, proposed option grants and notice of EGM

Ethernity Networks Limited (AIM: ENET.L) (OTCMKTS: ENETF), a leading supplier of data processing semiconductor technology for networking appliances, announces the proposed appointment of Aviva Banczewski and Julie Kunstler as external directors and independent non-executive directors of the Company (the "**Board Appointments**"), the proposed grant of options to certain directors of the Company (the "**Option Grants**") and provides notice of an extraordinary general meeting of the Company (the "**EGM**"), which is being convened, *inter alia*, for the purpose of seeking shareholder approval for the Board Appointments and the Option Grants.

Proposed Board Appointments

Under Israeli Companies Law, 5759-1999, and the rules and regulations thereunder (the "**Companies Law**"), the Company is required to have at least two external directors (as defined in the Companies Law) appointed to its Board of Directors. On 14 November 2023, the Company announced that Chen Saft-Feiglin and Zohar Yinon had stepped down as the Company's external directors following the conclusion of their terms in office and that the Company would seek to finalise the appointment of new external directors within three months of conclusion of the temporary suspension of proceedings ("**TSP**") process.

The Company is pleased to announce that, following the conclusion of an appropriate selection process, the Nomination Committee has identified Aviva Banczewski and Julie Kunstler as suitable external directors and has recommended their appointment to the Board of Directors of the Company. The Board Appointments are subject to the completion of customary due diligence as required under the AIM Rules for Companies as well as the passing of the resolutions seeking approval of the Board Appointments at the EGM.

Biographies of the proposed external directors

Julie Kunstler has over 30 years' experience in the communications components, equipment, and software industry, having served as an executive, venture-fund investor, analyst, and board member. Most recently, Julie held the position of Chief Analyst - Broadband Access Intelligence Service for Omdia (a division of Informa Tech), covering the fixed broadband access industry ecosystem. Prior to joining Omdia, Julie served as VP Business Development for Teknowus, a venture-backed broadband access PON (Passive Optical Network) chip start-up, where she assisted with fundraising, corporate strategy, OEM agreements, and its acquisition by Broadcom.

Aviva Banczewski has over 30 years of varied finance experience including audit, consulting, regulatory and compliance, business and strategic planning and acquisition due diligence assignments. She started her career working for Andersen in both Australia and then Israel for a total of 15 years. Since then, she has held both finance and investor relations roles in publicly traded companies, including ICL Group Ltd and Evogene Ltd, which are both listed on Nasdaq and the Tel Aviv Stock Exchange ("**TASE**"). She currently acts as Director of Investor Relations for Pluri, Inc, a Nasdaq and TASE listed company. Aviva has also been a board member of the Israel Australia Chamber of Commerce since November 2022.

Proposed Option Grants

Following the exit of the TSP process, the Company has resolved to grant options to certain employees, subcontractors and Directors of the Company pursuant to the Company Option Plan (ISOP) and in compliance with the Company's compensation policy, in order to further incentivise the team whilst conserving cash. In total, 33,200,000 options (the "**Options**") over new ordinary shares of NIS 0.001 each ("**Ordinary Shares**") are to be granted. 15,822,775 Options were granted to certain employees and subcontractors of the Company. A further 17,377,225 are proposed to be granted to certain directors of the Company as follows:

<i>Director</i>	<i>No. of Options proposed to be granted</i>	<i>Total options over Ordinary Shares held post grant</i>	<i>Percent of issued share capital</i>
David Levi (CEO)	11,447,309	11,708,019	3.11%
Shavit Baruch (VP R&D)	4,235,247	4,495,957	1.19%
Ayala Deutsch (CFO)	1,200,000	1,270,000	0.34%
Yosi Albagli (Chairman)	494,669	494,669	0.13%
TOTAL	17,377,225	17,968,645	4.77%

The grant of the Options to the executive directors is conditional on the passing of certain resolutions at the EGM to seek shareholder's approval for the Option Grants. Once granted, the Options will have an exercise price of 1.5p. The Options will vest over three years in 12 equal portions, with 1/12 of the Options vesting at the end of each quarter following the date of grant.

Notice of EGM

The Company will shortly post to shareholders a notice of EGM, to be held at 3rd Floor Beit Golan, 1 Golan St. Corner HaNegev, Airport City 7019900, Israel at 11.00 a.m. Israel time (9.00 a.m. UK time) on 9 April 2024. The purpose of the EGM is to seek seeking shareholder approval for the Board Appointments and Option Grants. The EGM also contains a resolution to seek shareholder approval for an increase in the Company's authority to issue new Ordinary Shares on a non-pre-emptive basis. A copy of the EGM notice will be made available on the Company's website, www.ethernitynet.com.

For further information, please contact:

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About Ethernity Networks

Ethernity Networks (AIM: ENET.L; OTCMKTS: ENETF) provides innovative, comprehensive networking and security solutions on programmable hardware, enhancing telco/cloud network infrastructure capacity. Ethernity's semiconductor logic offers data processing functionality for various networking applications, alongside patented wireless access technology and fiber access media controllers, all equipped with control software boasting a rich set of networking features. Ethernity's solutions swiftly adapt to customers' evolving needs, accelerating time-to-market and facilitating the deployment of 5G over wireless and fiber infrastructure.

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