

21 October 2024

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

Warrant exercise under structured investment deed

Ethernity Networks (AIM: ENET.L; OTCMKTS: ENETF), a leading supplier of data processing semiconductor technology for networking appliances, announces that it has received a warrant exercise notice for £195,000 from New Technology Capital Group, LLC ("New Tech") pursuant to the Structured Investment Deed ("Investment Deed"), details of which were announced on 17 May 2024 (the "Announcement").

Accordingly, the Company has issued and allotted 195,000,000 new ordinary shares of NIS 0.001 each in the Company ("Ordinary Shares") to New Tech at an issue price of 0.1p per Ordinary Share (the "New Ordinary Shares"). The issue price was determined by reference to the pricing mechanism in the Investment Deed, as set out in the Announcement and the Company's announcement on 15 July 2024.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM ("Admission") and Admission is expected to occur on or around 25 October 2024. The New Ordinary Shares will, upon Admission, rank *pari passu* with the existing Ordinary Shares in the Company.

Following the receipt of this warrant exercise notice and the issue of the New Ordinary Shares, the remaining balance in relation to which New Tech may exercise its Warrant under the Investment Deed is £210,000, less the value of the 40,000,000 Subscription Shares issued to New Tech at the time of entering into the Investment Deed (as set out in the Announcement) at the relevant exercise price. Based on the deemed exercise price for this warrant issue of 0.1p, the remaining outstanding balance under the Investment Deed is £170,000 (however, this amount may vary depending on the relevant exercise price at the time of exercise). Were the relevant exercise price to be higher than 0.1p, then the outstanding balance would be lower than £170,000. For example, were the relevant exercise price to be 0.3p then the outstanding balance would be £90,000.

Total voting rights

Following Admission, the Company's enlarged issued share capital will be 902,233,909 Ordinary Shares. The Company holds no Ordinary Shares in Treasury. This figure of 902,233,909 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

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About Ethernity (www.ethernitynet.com)

Ethernity Networks (AIM: ENET.L) provides innovative, comprehensive networking and security solutions on programmable hardware for accelerating telco/cloud networks. Ethernity's semiconductor logic offers complete Carrier Ethernet Switch Router data plane processing and control software with a rich set of networking features, robust security, and a wide range of virtual function accelerations to optimize telecommunications networks. Ethernity's complete solutions quickly adapt to customers' changing needs, improving time-to-market, and facilitating the deployment of 5G, edge computing, and Broadband Networks.

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