

15 November 2024

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

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 grant of options to certain employees, 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 Option Grants.

Option Grants and proposed Option Grants

Following the approval and recommendation of the Company's Remuneration Committee, the Board of Directors approved the grant of Options to the Company's Executive Directors and the Company's Chairman of the Board (in compliance with the Company's compensation policy), and also to Company employees and subcontractors in order to encourage their retention, implement and deliver the business strategy and completing the product development, to enable the Company's growth, success and a potential improvement in the share price whilst conserving cash. In total, 63,600,000 options (the "Options") over new ordinary shares of NIS 0.001 each ("Ordinary Shares") are to be granted. 32,981,830 Options have been granted to certain employees and subcontractors of the Company. A further 30,618,170 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)	21,789,223	33,497,242	3.71%
Shavit Baruch (VP R&D)	6,574,161	11,070,118	1.23%
Yosi Albagli (Chairman)	2,254,786	2,749,455	0.30%
TOTAL	30,618,170	47,316,815	5.24%

Per applicable UK law and the AIM Rules for Companies, as long as the Options are allocated in accordance with the Company's compensation policy, there is no need for obtaining shareholder approval. However, under Israeli law, the grants of Options to the Company's Executive Directors and to the Company's Chairman are subject to approval of the shareholders at a general meeting.

The Options have an exercise price of £0.00247. 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 23 December 2024. The purpose of the EGM is to seek shareholder approval for increasing the authorised share capital of the Company, disapplication of pre-emption rights on equity issues for cash and approval of the Option Grants to directors. A copy of the EGM notice will be made available on the Company's website, www.ethemitynet.com.

For further information, please contact:

Ethernity Networks Ltd

David Levi, Chief Executive Officer
Tomer Assis, Chief Financial Officer

Tel: +972 3 748 9846

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

CMC Markets UK plc (Joint Broker)

Douglas Crippen

Tel: +44 (0)20 3003 8632

Peterhouse Capital Limited (Joint Broker)

Lucy Williams / Duncan Vasey / Eran Zucker

Tel: +44 (0)20 7562 0930

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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