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2 February 2026

**Ethernity Networks Limited**  
("Ethernity" or the "Company")

#### **Placing and business update**

Ethernity Networks Limited (AIM: ENET.L; OTCMKTS: ENETF), a leading supplier of data processing and PON semiconductor technology for networking appliances, is pleased to announce a proposed placing of 9,187,500,000 new ordinary shares of no par value ("**Placing Shares**") at an issue price of £0.00004 (0.004p) per share (the "**Placing Price**") to raise a total of £367,500 (approximately US 505,000) before expenses (the "**Placing**").

It is intended that participants in the Placing will receive one warrant for every Placing Share subscribed for, exercisable at the Placing Price for a period of 12 months from date of grant (the "**Warrants**"), with an acceleration clause triggered should the Company's share price reach 0.006 pence. If exercised in full, the exercise of the Warrants would provide an additional £367,500 of gross proceeds to the Company.

The grant of the Warrants is conditional on the Company convening a general meeting (the "**EGM**") to seek approval for an increase in the Company's authorities to issue and allot new ordinary shares of no par value ("**Ordinary Shares**"). A circular convening the EGM will be posted shortly and a further update will be made at that time.

The Placing is being undertaken by ALBR Capital Limited ("**AlbR**").

#### **Business Update**

For the year ended 31 December 2025, the Company generated approximately US 1.03m in revenue (unaudited), derived from royalties, maintenance and support services.

For 2026, the Company anticipates generating approximately US 1.7m to US 2m of revenue from existing customers, driven by extended royalty income, continued business with a U.S. Broadband customer, and ongoing engagements with the Company's Tier-1 U.S. defense customer.

In addition, the Company expects to pursue further revenue opportunities through:

- collaboration with a semiconductor vendor, initially with an FPGA/IP offering, with a planned transition to ASIC at scale;
- the introduction of the Company's new high-capacity, ultra-low latency traffic manager, targeting 400Gbps performance on FPGA and above 1Tbps when implemented in ASIC, compared to the current ENET flow processor performance of 60Gbps on FPGA; and
- additional discussions and opportunities related to xPON solutions.

#### **Use of Proceeds**

The net proceeds of the Placing will be used to support the Company's general working capital requirements and to repay short-term debt and creditor obligations, which currently amount to several tens of thousands of U.S. dollars per month.

The Company believes that, should the Warrants be exercised in full, the net proceeds of the Placing and Warrant exercises, together with anticipated business activity and achievement of the 2026 revenue target of 2 million set out above, will provide the Company with sufficient working capital to take the Company towards the end of 2026. Notwithstanding this, the Company will be seeking additional authorities at the EGM to provide the flexibility to conduct a further fundraising, should it be required.

In order to further preserve cash, it is proposed that certain directors of the Company ("**Directors**") will convert accrued and unpaid salaries and director fees into new Ordinary Shares at the Placing Price. Under Israel Companies Law, such conversion requires the approval of shareholders at a general meeting, and a resolution to approve the conversion will be included in the EGM. The amount of unpaid salaries and fees that will be converted into equity will be determined following the EGM but will be up to £70,000 in aggregate. Further updates will be provided in due course.

#### **Details of the Placing**

The Company has conditionally raised a total of £367,500 (before expenses) through the issue of 9,187,500,000 Placing Shares at the Placing Price of 0.004 pence per share, utilising the Company's existing authorities to issue new Ordinary Shares on a non-pre-emptive basis.

The Placing Price represents a 29% discount to the closing mid-market price of an Ordinary Share on 30 January 2026.

**Warrants**

#### **warrants**

Conditional on the passing of the relevant resolutions at the EGM, participants in the Placing will be issued with one Warrant for each Placing Share subscribed for, resulting in the issue of 9,187,500,000 Warrants. The Warrants will be exercisable at the Placing Price of 0.004p for a period of 12 months from the date of issue. The Warrants will not be transferable and will not be traded on an exchange. The Warrants will contain an accelerator clause such that the Company may serve notice ("**Notice**") on the Warrant holders to exercise their Warrants in the event that the closing mid-market share price of the Company's Ordinary Shares trade at 0.006p or more over a consecutive five-day trading period from the date of grant. In the event the Company serves Notice, any Warrants remaining unexercised after seven calendar days following the issue of the Notice will be cancelled. Exercise of the Warrants in full would raise an additional £367,500 for the Company.

#### **Admission to Trading**

Application will be made for the 9,187,500,000 Placing Shares to be admitted to trading on AIM ("**Admission**"). Admission is expected to occur at 8.00 a.m. on or around 6 February 2026.

#### **Total Voting Rights**

Following Admission, the Company's enlarged issued share capital will comprise 19,219,328,493 Ordinary Shares. The Company holds no shares in treasury. This figure may be used by shareholders for the purposes of the FCA's Disclosure Guidance and Transparency Rules.

**David Levi, Chief Executive Officer, commented:** *"Following a challenging two-year period, during which we refocused the business around our core IP and significantly reduced our cost base, we believe the Company is now better positioned for recovery and growth. With expected business from existing customers, continued progress with our semiconductor partner, the development of our new high-capacity Traffic Manager, and the successful completion of the Placing together with the associated Warrants, we anticipate improved financial stability to build a clear path toward sustainable, long-term growth."*

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#### **About Ethernity Networks**

Ethernity Networks (AIM: ENET.L; OTCMKTS: ENETF) provides innovative networking and security solutions on programmable hardware, enhancing telco/cloud infrastructure capacity. Its semiconductor logic enables advanced data processing for networking applications, alongside patented wireless access and fiber media controllers. Ethernity's solutions accelerate time-to-market and support the deployment of 5G over wireless and fiber infrastructure.

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