6 July 2020

Mr Ivan Tatkovich
The Australian Securities Exchange
Exchange Centre
20 Bridge Street, Sydney NSW 2000

By email

Dear Mr Tatkovich,

Re: Aware Query

Etherstack provides the following response to the questions contained within the letter from ASX Limited ("ASX") titled "Etherstack PLC ('ESK'): Aware Query" dated 3 July 2020. Terms defined in the ASX Aware Query have the same meaning where used in this response.

1. *Please explain the factors that ESK took into consideration to determine whether or not to flag the Announcements as being Market Sensitive.*

The two key factors Etherstack took into consideration in flagging the Announcements as Market Sensitive are:

a) The strategic value of the partnership with Samsung; and

b) The quantum of revenues that may be derived from the Global Teaming Agreement in the future when Samsung and Etherstack together supply technology to Samsung's customers.

2. *At what time and date were the terms of the Global Teaming Agreement finalised?*

There was no physical meeting at which both parties attended and signed the Global Teaming Agreement. Rather, the Global Teaming Agreement was finalised and signed electronically by exchange of email.

Etherstack sent via email a version of the document containing Etherstack signatures to Samsung on 23 June 2020. There was then further telephone and email discussion of the terms set out in this document.

Samsung responded by email at 7.21pm on 24 June 2020 with the same version of the document as sent by Etherstack containing the Samsung signatures.

It was agreed the parties shall jointly issue a mutually agreeable press release announcing certain terms of the Global Teaming Agreement and that Etherstack would not make any release without the prior written approval of Samsung.

Notwithstanding that the release was prepared in draft prior to signing, the release was not settled and approved by Samsung until 29 June 2020 at 10.36 am and the announcement was subsequently released pre-open on 30 June 2020.

During this time, Etherstack had continually monitored its trading, noting that its shares had not previously traded for 11 days prior to the announcement, and did not trade between the signing of the Global Teaming Agreement and the announcement, confirming that confidentiality had not been lost.

> 3.   *At what time and date did each party sign the Global Teaming Agreement?*

Refer to the response to question 2 set out above.

> 4.   *If the Global Teaming Agreement was signed by both parties prior to 30 June 2020, please explain in detail how ESK satisfied the obligation under Listing Rule 3.1 to release information promptly and without delay.*

Etherstack was bound to follow the contractual requirements of the Global Teaming Agreement and was not in a position to release an announcement until the requisite approval from the counterparty had been received. Further, although a trading halt was not requested, Etherstack had continually monitored its trading, noting that its shares had not previously trading for 11 days prior to the announcement, and did not trade between the signing of the Global Teaming Agreement and the announcement, confirming that confidentiality had not been lost.

5. When did ESK first receive an instruction from the holder of the convertible notes referred to in the Appendices 2A of their intention to convert the notes into fully paid ordinary shares?

There were 2 instructions provided by the holder of the convertible notes.

The first instruction was received on 30 June 2020 at 5.38 pm.

The second instruction was received on 1 July 2020 at 1.54 pm.

6. At what time and date were the fully paid ordinary shares which are the subject of the Appendices 2A issued by ESK's share registry?

The CDIs connected with the first conversion instruction were issued at 12.25 pm on 1st July 2020.

The CDIs connected with second conversion instruction were issued at 11.16 am on 2 July 2020.

7. Please confirm that ESK is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms it is currently in compliance with the Listing Rules and in particular Listing Rule 3.1.

8. Please confirm that ESK's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of ESK with delegated authority from the board to respond to ASX on disclosure matters.

This response is authorised for release by David Deacon, Chief Executive Officer

Yours sincerely,

David Carter
Company Secretary

3 July 2020

Reference: 20091

Mr David Carter
Company Secretary
Etherstack PLC
Level 1
93A Shepherd Street
Chippendale NSW 2008

By email:

Dear Mr Carter

Etherstack PLC ('ESK'): Aware Query

ASX Limited ('ASX') refers to:

A.   ESK's announcement entitled "Global Teaming Agreement with Samsung re 4G/5G Public Safety" released through the ASX Market Announcements Platform ('MAP') at 9:28am on Tuesday, 30 June 2020, flagged as Market Sensitive.

B.   ESK's subsequent announcement, entitled "Additional Information – Samsung Global Teaming Agreement" released through MAP at 12:18pm on Tuesday, 30 June 2020, also flagged as Market Sensitive.

       together, "the Announcements".

C.   The price of ESK's securities, which moved from $0.12 prior to the release of the Announcements to a high of $3.70 on Wednesday, 1 July 2020

D.   ESK's Appendix 2A released through MAP at 1:06pm on Wednesday, 1 July 2020.

E.   ESK's Appendix 2A released through MAP at 1:05pm on Thursday, 2 July 2020.

       together, 'the Appendices 2A'.

F.   Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

G.   The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

       "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

H.   Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

       "3.1A   Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

       3.1A.1   One or more of the following applies:

       •   *It would be a breach of a law to disclose the information;*

- *The information concerns an incomplete proposal or negotiation;*

- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*

- *The information is generated for the internal management purposes of the entity; or*

- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

I. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Questions and Request for Information

In light of the information contained in the Announcements and the Appendices 2A, please respond separately to each of the following questions and requests for information:

1. Please explain the factors that ESK took into consideration to determine whether or not to flag the Announcements as being Market Sensitive.

2. At what time and date were the terms of the Global Teaming Agreement finalised?

3. At what time and date did each party sign the Global Teaming Agreement?

4. If the Global Teaming Agreement was signed by both parties prior to 30 June 2020, please explain in detail how ESK satisfied the obligation under Listing Rule 3.1 to release information promptly and without delay.

5. When did ESK first receive an instruction from the holder of the convertible notes referred to in the Appendices 2A of their intention to convert the notes into fully paid ordinary shares?

6. At what time and date were the fully paid ordinary shares which are the subject of the Appendices 2A issued by ESK's share registry?

7. Please confirm that ESK is complying with the Listing Rules and, in particular, Listing Rule 3.1.

8. Please confirm that ESK's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of ESK with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than 9:30am PM **AEST Tuesday, 7 July 2020**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ESK's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph and may require ESK to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;

- how long you want the trading halt to last;

- the event you expect to happen that will end the trading halt;

- that you are not aware of any reason why the trading halt should not be granted; and

- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to ESK's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that ESK's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in ESK's securities under Listing Rule 17.3.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Enquiries

If you have any queries regarding any of the above, please contact me.

Regards

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Ivan Tatkovich
Adviser, Listings Compliance (Sydney)