

9th December 2020

ASX Announcement
ETHERSTACK PLC (ASX:ESK)
("Etherstack" or the "Company")
Business Update December 2020

The Company is pleased to provide the following business update on its current business activities.

In the past six months, the company has had significant success through the delivery of its first major digital radio network to the Royal Canadian Mounted Police, entering into a Global Teaming Agreement with Samsung and signing a AUD \$4.1m deal with the Australian Department of Defence, as previously announced.

Selected business achievements in 2020 include:

- Australian Department of Defence: New \$4.1m contract announced in December 2020, with a significant majority of the contract to be recognised in FY2021;
- Royal Canadian Mounted Police: First contract order from a Canadian federal public safety agency for our PTT over Satellite product, known as the IVX (In-Vehicle Switch);
- Resources Sector deployment: Earlier deployed WA resource mining client digital radio network is now live, and is expected to lead to further network upgrades and future support revenues;
- Global Samsung Partnership: Ongoing development and integration activities with Samsung, in parallel with Samsung pursuit of initial orders;
- Recurring revenue continues to grow, driven by both long term support contracts and royalty payments derived from technology licensing; and
- Continued strong opportunity pipeline.

Key financial achievements:

- FY2021 Update:** Based on the current order book and recurring revenue base, management expects FY2021 to significantly outperform FY2020.
- Positive Cashflow:** three consecutive years of solid positive operating cashflow.
- Positive EBITDA:** three consecutive years of positive EBITDA.
- Reduced Debt:** continued reduction in long term debt through repayments and convertible note conversions.
- Stronger Balance Sheet:** as a result of operating activities, convertible note conversion to equity and reduced interest costs as a consequence of debt reduction.

Authorised for release by David Carter.

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Enquiries

Etherstack
David Carter, Chief Financial Officer
T: +61 2 8399 7500
www.etherstack.com

Media: Walbrook Investor Relations
Mr. Ben Knowles
T: +61 426 277 760
ben.knowles@walbrookir.com.au

About Etherstack plc (ASX:ESK):

Etherstack is a wireless technology company specialising in developing, manufacturing and licensing mission critical radio technologies for wireless equipment manufacturers and network operators around the globe. With a particular focus in the public safety, defence, utilities, transportation and resource sectors, Etherstack's technology and solutions can be found in radio communications equipment used in the most demanding situations. The company has R&D facilities in London, Sydney, New York and Yokohama.

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