

18 December 2020

ASX Announcement
ETHERSTACK PLC [ASX:ESK]
("Etherstack" or the "Company")

Successful Placement

Etherstack plc is pleased to announce it successfully raised AUD \$5 million via an institutional Placement with new institutional investment funds and HNW investors (Placement).

Key points:

- Strong support from institutional investors. The Placement was substantially oversubscribed demonstrating the strength of support from the institutional investors; and
- Proceeds of the Placement will provide balance sheet flexibility to:
 - o Enable and accelerate the pursuit of evolving market opportunities in Government Infrastructure, Defence and Public safety markets in particular those opportunities involving Etherstack's Mission Critical Push to Talk and PTT over satellite solutions;
 - o Enable and accelerate intellectual property developments needed for success in these market sectors; and
 - o Strengthen working capital resources.

The Placement was undertaken at an issue price of \$0.58 per CDI, representing a 9.4% discount to the closing price on 16 December 2020, a 9.2% discount to the 3 day VWAP and a 11.7% discount to the 5 day VWAP.

The Placement will result in the issue of 8,620,693 new CDIs, with the new CDIs ranking equally with existing CDIs. The Placement CDIs will be issued as single tranche utilising the Company's available Placement capacity under ASX Listing Rule 7.1.

David Deacon, Etherstack CEO noted "The new institutional and HNW investors are a welcome addition to our share register. Their investment demonstrates their belief in what we anticipate will be a very exciting and positive 2021 for Etherstack.

This is the first institutional placement undertaken by the Company since our listing in 2012, which results in a reduced concentration of holdings by the Top 20 holders and greater liquidity in the market.

The monies from this capital raise places Etherstack in a position of strength and will allow us to fulfil both current and anticipated future contracts, whilst continuing to invest in and develop our core capabilities. Initially, the proceeds will be used to facilitate delivery of current milestone projects such as the Australian Defence Contract announced by the Company on 7 December 2020, however more importantly, the additional capital will allow continued pursuit of and delivery of opportunities that may result from the Samsung Global Teaming Agreement announced on 30 June 2020."

Authorised for release by David Carter

Enquiries

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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.