CEO presentation to AGM

Etherstack plc (ASX:ESK)

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Authorised for release by David Deacon

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FY2019 – Solid Cashflow & Wins

Presentation Overview

- **2019 Results:** Strong positive cashflow and EBITDA. Strategic Wins
- **2020 Report:** Continuing revenue growth and sector expansion
  Minimal Covid-19 impact
  Robust government spending
- **2021 Vision:** Strategic partnerships, new products and markets

FY2019 – Highlights

US$1.1m EBITDA

2019 EBITDA of US$1.1m down from US$1.9m and revenue US$4.8m down 9% from US$5.3m (2018) primarily due to revenue timing on major contract deliverables that shifted into Q1 2020.

NPAT loss of US$0.87m for 2019

Continued Positive Operating Cashflow

Net operating cash inflow of US$1.4m in 2019 following strong cash inflow of US$1.5m in 2018

Recurring Revenue Growth

Recurring revenues (support and royalties) grew a further 9% during 2019. Further growth slated for 2020 based on contracts in hand

Strategic Wins

Significant federal policing contract win for Royal Canadian Mounted Police (CAD$1.7m) with expansion orders expected 2020 & 2021

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FY2019 – Highlights (cont.)

Working Capital Improvement & Reduced Borrowing Costs

AU$0.30 convertible note raise of US$1.398m (AU$2.0m) at more favourable coupon rates and conversion of old notes into equity (US$0.262m)

Expanding Sector & Govt Client Base

RCMP (Canada)

US Department of State

Australian state policing and ambulance services

New Technology Developments & Deliveries

Push-to-Talk (PTT) over Satellite products delivered

Advanced MCPTT over LTE product developments

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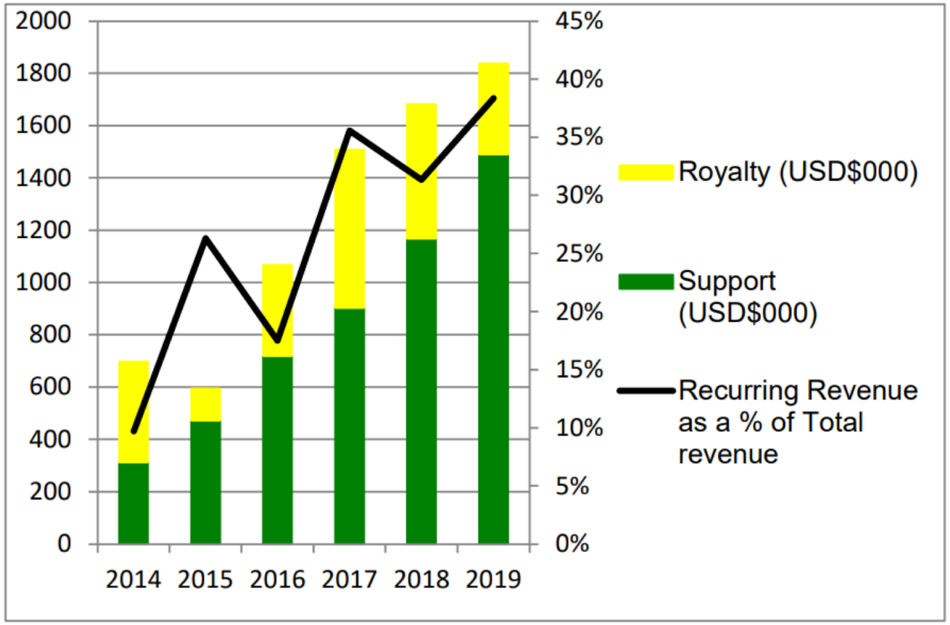
FY2019 – Highlights (cont.)

Recurring revenues continue to grow



Aggregate recurring revenues comprising Royalties and Support revenues were US$1.838m in 2019

Support revenues have increased at a CAGR of 36.7% over the past 5 years

Recurring revenues contributed 38% of total revenue in 2019

New deliveries in 2019 and 2020 triggering new support contracts will continue to see support revenues grow in 2020 and 2021

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2020 – Report

Strong Start to 2020

- **Public Safety:** Major delivery milestones achieved on federal & state policing networks in Canada, US & Australia. Further digital radio network expansion orders expected in H2 2020.
- **Utilities:** New H1 2020 network deliveries providing strong half revenues and future support growth
- **Resources:** Major resources digital radio network contract win in Western Australia announced in May 2020. Follow on expansion orders expected in H2 2020.

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2020: Strong Order Book & Deal Flow

Revenue Mix Diversity Continues

- **Strategic Partnerships:** The Company has continued to develop strategic partnerships in new technology sectors such as Mission Critical Push-to-Talk (MCPTT) over LTE and expects to disclose new long term relationships and deals in this sector during H2 2020

- **New Technology Licensing Deals:** The Company is at advanced stages of negotiation on two new technology licensing deals that will provide material revenue during H2 2020.

- **Tactical Network Sales:** The maturing of the Company's tactical network product line has seen sales growth driven by our highly secure ad-hoc terrestrial and satellite network products to multiple govt clients in multiple regions

- **New Products:** The Company continues to expand its product portfolio developing leading edge critical communications products

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2020: High Growth Products Gain Traction

Traditional Revenues & New High Growth

- **Traditional Business:** Etherstack continues to enjoy growth in deployed P25 digital radio networks for public safety agencies and utilities providing new equipment sales and long term recurring support royalties

- **Robust Govt Spending:** Etherstack is seeing robust government stimulus spending on public safety in response to Covid-19 and natural disasters stimulating revenue growth in 2020 and 2021

- **High Growth Focus:** The Company's tactical communications products for use in remote areas and in natural disasters continue to gain traction with a positive impact expected on 2020 revenues. In particular, keen interest has been shown in the Company's emerging PTT over Satellite product lines with government deliveries and field trials underway in 2020

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2021 Vision: New Products & Partnerships

Innovation and Investment in R&D

- Etherstack has invested in excess of $20 million into our suite of intellectual property assets over an extended period and has developed a substantial intellectual property portfolio that generates a diverse range of revenue streams from multiple technology areas, clients and regions, and from a mix of mature, new and emerging product lines.

- As 4G and 5G cellular networks become ubiquitous and advances in satellite communications technologies are made, Etherstack is well placed to capitalise on the shift in technologies and the application of these to our market area with innovative communications products for public safety professionals, utilities and defence clients.

- The company is currently undertaking development of new military waveform technology for the defence industry as well as reimagining the form factor and functionality of highly specialised communications devices

IVX V3.0
P25 PTT over Satellite

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