

15 March 2024

**ASX Announcement**  
**ETHERSTACK PLC**  
("Etherstack" or the "Company")

**Minimum Holding CDI Buy back**

Etherstack Plc (**ESK** or the **Company**) is pleased to announce that it intends to undertake a minimum holding buy-back for holders of less than a marketable parcel of CHESS Depository Interests (**CDIs**) in the Company (**Buy-Back**). Under the ASX Listing Rules, a marketable parcel of CDIs is a parcel of not less than \$500, based on the closing price of CDIs on ASX.

The Buy-Back will allow CDI holders who hold less than a marketable parcel (**Minimum Holding**) of CDIs in the Company (**Eligible Holders**) to sell their CDIs back to the Company in accordance with the Company's articles of association, at the Buy-Back price of \$0.226 per CDI (**Buy-Back Price**), being the simple average of the last sale prices of the Company's CDIs as quoted on the ASX for each of the 5 trading days before the Record Date. These CDIs will be cancelled once transferred to the Company in accordance with the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Company has decided to undertake the Buy-Back to assist Eligible Holders to sell and realise their CDIs without incurring brokerage and other expenses. The Company will pay for all costs related to the Buy-Back (excluding tax consequences from the sale which remains the Eligible Holder's responsibility) and expects to reduce the administrative costs associated with maintaining a large number of small holdings.

The Buy-Back is a 'minimum holding buy-back' under the Corporations Act and is therefore not subject to shareholder approval. However, Eligible Holders are able to opt-out of the Buy-Back by giving written notice to the Company of their desire to be exempted from the Buy-Back within 4 weeks of the receipt of this notice.

Based on the Buy-Back Price and the register of members of the Company at 7:00pm (Sydney time) on 14<sup>th</sup> March 2024 (**Record Date**):

- (a) a Minimum Holding is any CDI holding of 2,212 CDIs or less;
- (b) the Company has approximately 915 CDI holders, of which approximately 282 hold a Minimum Holding, comprising 374,154 CDIs in aggregate or 0.28% of all issued CDIs; and
- (c) the aggregate value of the Company's CDIs held by Eligible Holders is approximately \$84,558 (based on the Buy-Back Price).

CDI holders who own 2,213 CDIs or more on the Record Date will not be eligible to participate in the Buy-Back.

The Company is sending the **attached** letter to Eligible Holders. Eligible Holders who wish to retain their CDIs must either:

- (a) complete and return a CDI retention form to the Company by 5:00pm (Sydney time) on 19 April 2024; or
- (b) purchase additional CDIs in the Company, or consolidate multiple holdings (if available) such that the holding of that CDI holder is no longer a Minimum Holding by the Closing Date.

The key dates for the Buy-Back are:

EVENT	DATE
<b>Record Date</b> for determining holdings of less than a marketable parcel.	7:00 pm (Sydney time) on 14 March 2024
<b>Announcement to the ASX</b> regarding the Buy-Back.	15 March 2024
<b>Letters and CDI Retention Forms sent to Eligible Holders</b>	22 March 2024
<b>Closing date</b> for receipt of CDI Retention Forms	19 April 2024
<b>Announcement to the ASX</b> of outcome of the Buy-Back	22 April 2024
<b>Remittance of proceeds</b> to Eligible Holders whose CDIs are bought back under the Buy-Back	29 April 2024

The Company reserves the right to modify these dates or suspend or terminate the Buy-Back. Any modification, suspension or termination will be notified by written notice to ASX.

If Eligible Holders have any queries, please contact the Company via [investor-relations@etherstack.com](mailto:investor-relations@etherstack.com) or on +61 2 8399 7500 during office hours of 9.00am to 5.00pm Australian Eastern Standard Time.

Authorised for release by David Carter, Company Secretary.

### 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.

### For more information

 Follow us on [LinkedIn](#)

 Visit our website: [www.etherstack.com](http://www.etherstack.com)

 Subscribe to our [mailing list](#) to receive updates

March 2024

Dear Investor,

### **OFFER TO BUY-BACK LESS THAN MARKETABLE PARCEL OF CDIs (OFFER)**

As announced on 15 March 2024, Etherstack Plc (**ESK** or the **Company**) intends to undertake a minimum holding buy-back for holders of less than a marketable parcel of CHESS Depository Interests (**CDIs**) in the Company (**Buy-Back**) as at 7:00pm (Sydney time) on 14 March 2024 (**Record Date**).

The directors of the Company recognise that CDI holders holding a parcel of CDIs with value of less than \$500 (**Minimum Holding**) may encounter difficulties selling their CDIs on ASX. In order to allow these CDI holders to sell their CDIs without incurring brokerage and other expenses, and to reduce the administrative and registry costs for the Company that are associated with Small Holdings, the directors have resolved to undertake a Minimum Holding buy-back under the terms set out in this Offer and the procedure in Division 2 Part 2J.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Buy-Back**).

In accordance with section 257H of the Corporations Act, CDIs purchased by the Company under the Buy-Back will be cancelled immediately after registration of the transfer of the bought-back CDIs to the Company.

Based on the Buy-Back price of \$0.226 per CDI (being the simple average of the last sale prices of the Company's CDIs as quoted on the ASX for each of the 5 trading days before the Record Date]) a CDI holding of less than 2,212 CDIs is a Minimum Holding. Our share registry shows that the number of CDIs held by you or an entity that is associated with you is a Minimum Holding, which makes you a CDI holder that is eligible to participate in the Buy-Back (**Eligible Holder**).

On the basis of the Buy-Back price and the register of members of the Company as at the Record Date:

- (a) the Company has approximately 951 CDI holders, of which approximately 282 hold a Minimum Holding, comprising 374,154 CDIs in aggregate or 0.28% of all issued CDIs; and
- (b) the aggregate value of the Company's CDIs held by Eligible Holders is approximately \$84,558 (based on the Buy-Back price).

It is important to note that the market price of the Company's CDIs will change from time to time. The Buy-Back price under the Buy-Back may be more or less than the actual market price at the time of the sale and may not be the best price obtainable on the day on which your CDIs are bought back. The Company will not buy-back your CDIs if you wish to retain your CDI holding.

Your options under the Offer are as follows:

1. if you would like the Company to purchase your Minimum Holding at \$0.226 per CDI, you do not need to do anything;
2. If you would like to opt-out of the Offer and not have your CDIs purchased by the Company under the Buy-Back, you must:

- (a) complete the enclosed CDI Retention Form and return it to the Company's share registry, Computershare Investor Services Pty Limited by 5:00pm (Sydney time) on 19 April 2024 (**Closing Date**); or
- (b) top up your holding to a marketable parcel by either merging multiple holdings, or buy acquiring more CDIs in the Company on-market such that your registered holding on the Closing Date is 2,212 CDIs or greater.

You are advised to allow reasonable time for the CDI Retention Form to be received by the share registry. If you hold CDIs in multiple holdings, some of which are Minimum Holdings, then the Company will purchase those Minimum Holdings unless a CDI Retention Form is received for each holding.

If your CDI holding is purchased, the sale proceeds will be forwarded to you by the Company as soon as practicable. There will be no brokerage fees payable by CDI holders whose CDIs are purchased by the Company under the Offer. CDIs purchased by the Company under the Buy-Back will be cancelled in accordance with section 257H of the Corporations Act.

The Company makes no recommendation as to whether you should participate in the Offer. You should seek independent professional advice when deciding whether to retain your CDIs or, if you have any questions on how a sale of CDIs under the Offer may affect you.

While the Company will pay for all costs associated with this sale, any taxation consequences arising from the sale of your Minimum Holding under the Offer will be your responsibility. Please consult your legal, financial or taxation advisor if you require information regarding possible taxation implications of the sale of Minimum Holdings under the Offer.

For further information in relation to lodging your CDI Retention Form or the practical operation of the Offer, please contact the Company via [investor-relations@etherstack.com](mailto:investor-relations@etherstack.com) or on +61 2 8399 7500 during office hours of 9.00am to 5.00pm Australian Eastern Standard Time.

Yours faithfully



**David Deacon**  
**Chief Executive Officer**

## Frequently Asked Questions

### Who is eligible to participate in this Buy-Back?

CDI Holders in the Company are eligible to participate in this Buy-Back if they held CDI holdings in the Company valued at less than \$500 as at the Record Date.

### If my CDIs are bought back through the Buy-Back, how much will I receive per CDI?

If your Minimum Holding is bought back through the Buy-Back, you will receive the Buy-Back Price of \$0.226 per CDI, determined using the [simple average of the last sale prices of the Company's CDIs as quoted on the ASX for each of the 5 trading days before the Record Date].

### What do I need to do to sell my CDIs?

Nothing. Your Minimum Holding will be bought back through the Buy-Back unless you return a CDI Retention Form or increase your CDI holding to more than \$500 on the Closing Date.

### If my CDIs are bought back through the Buy-Back, how much will I receive for all of my CDIs?

The total price that you will receive for a Minimum Holding if it is bought back through this Buy-Back will be the number of CDIs in that Minimum Holding multiplied by \$0.226 per CDI.

### Do I need to pay anything if I participate in the Buy-Back?

The Company will pay all costs and expenses arising in connection with the Buy-Back. Any tax consequences from the Buy-Back will be your responsibility.

### If my CDIs are bought back through the Buy-Back, when and how will I receive the proceeds from the buy-back?

If your Minimum Holding is bought back through the Buy-Back, it is anticipated the proceeds will be remitted to you on 29 April 2024, by payment into your nominated bank account or by cheque to your registered postal address for your CDI holding. The payment advice will display the number of CDIs bought back and the proceeds remitted to you.

This documentation will be sent by mail to the address held on the Company's register and by email if you have previously nominated to receive communication electronically. If you have previously nominated to receive communications electronically and your bank account details have been recorded on the Company's register, payment will be made to you by direct credit to the bank account details recorded on the Company's register.

You can update your bank account details by the Closing Date by visiting <https://www.computershare.com/Investor/#Home>. This also applies if you are an issuer sponsored holder and need to update your address. If you have a CHESSE sponsored holding and need to update your address, you will need to contact your controlling participant.

### What are the tax consequences of having my CDIs sold through the Buy-Back?

The tax outcomes of participating in the Buy-Back will vary depending on your circumstances.

If you are in the business of trading equity securities or hold the CDIs as revenue assets, you may have an assessable gain or loss on sale on revenue account. Otherwise, it is the Company's view that proceeds will be entirely treated as a return of capital (where no component of the proceeds constitutes a dividend), with the buy-back under the Buy-Back resulting in a Capital Gains Tax (CGT) event.

If you are an Australian resident CDI holder, you will need to calculate a capital gain or capital loss. Details of the CGT event is required to be disclosed in your income tax return, regardless of whether you are required to pay tax on the event.

If you are not an Australian resident, you should be entitled to disregard the capital gain or loss for the purposes of calculating your Australian taxable income. You may still have a tax liability in your country of residence.

It is strongly recommended that you consult with your taxation professional regarding your particular circumstances.

#### Can I sell some but not all of my CDIs through the Buy-Back?

No, you may not sell part of a Minimum Holding through the Buy-Back. If you choose to participate in this Buy-Back, your entire Minimum Holding will be bought back by the Company.

#### If I buy more CDIs, will my CDI holding be bought back?

Your Minimum Holding will not be bought back if you acquire additional CDIs in the Company on-market so that your CDI holding is noted on the Company's CDI register as being greater than \$500 as on the Closing Date.

Any additional CDIs acquired must be registered on the Closing Date, under the same name and address and with the same holder number as set out in the accompanying CDI Retention Form.

#### What do I do if I have multiple Minimum Holdings?

If there is more than one Minimum Holding registered under your name, you will receive this letter and a personalised CDI Retention Form for each of your Minimum Holdings.

If you would like to keep one or more of your Minimum Holdings, you may take one of the following actions:

- complete the enclosed, personalised CDI Retention Form for each of the Minimum Holdings that you would like to keep and return it in accordance with the instructions on the form; or
- acquire additional CDIs in the Company on-market so that each of the Minimum Holdings that you would like to keep is noted on the Company's CDI register as being greater than \$500 as on the Closing Date; or
- if the Minimum Holdings that you hold together constitute a parcel of more than \$500, arrange to have those holdings consolidated into one CDI holding that is noted on the Company's CDI register as on the Closing Date.

Who do I contact if I have further questions?

If you have any further questions about the information contained in this letter or about the Buy-Back, you may contact the Company via [investor-relations@etherstack.com](mailto:investor-relations@etherstack.com) or on +61 2 8399 7500 during office hours of 9.00am to 5.00pm Australian Eastern Standard Time.