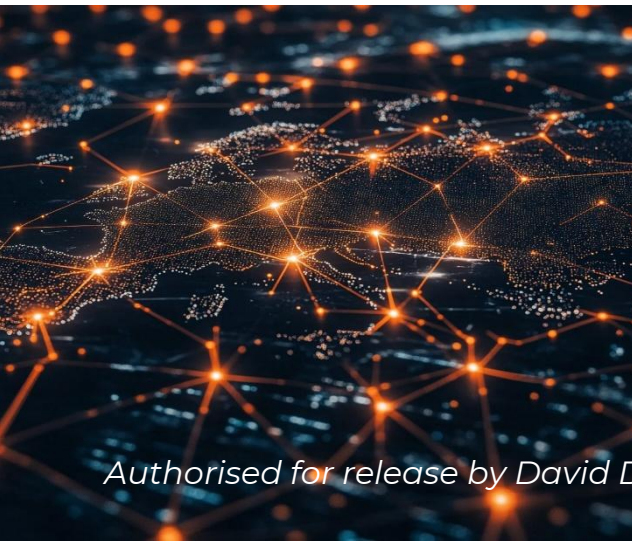# etherstack
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**Annual General Meeting
Etherstack plc (ASX:ESK)
18 June 2025**

Authorised for release by David Deacon, CEO and David Carter, CFO

Resolutions for 2025 Annual General Meeting

Resolution 1.

To receive and adopt the accounts of the Company for the year ended 31 Dec 2024

Resolution 2.

Authority to appoint auditors and set remuneration

Resolution 3.

Authority to allot shares

Resolution 4.

To re-elect Paul Barnes as a Director

Resolution 5.

To re-elect David Deacon as a Director

Resolution 6.

2024 Buyback

Resolution 7.

Authority of 7.1A Mandate

Resolution 8.

Statutory Pre-emption Rights

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2024 Financial & Business highlights

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Etherstack

Etherstack is a wireless technology provider that supplies our own mission critical wireless networks to the public safety, utilities and resource sector. The company also licenses key technology to over 20 other wireless equipment manufacturers globally

Snapshot

- Etherstack plc (UK) is a majority Australian owned business listed on the Australian Securities Exchange (ASX:ESK)

- R&D offices in Sydney, Yokohama, Reading (UK) and Annapolis, MD

- Profitable, strong EBITDA, expanding client base

3 Core Businesses (diversified revenue mix)

- Digital radio networks for first responders, essential services, resource sector and security/defense organizations – **high margin system sales** and **support revenues**

- Technology licensing of R&D keeps our own products fresh and generates additional **royalties revenue**

- New high growth cellular network technology to bridge 4G/5G networks with existing government digital radio networks – **licensing deals** with Samsung & Nokia

- All three businesses performing well

2024 Financial summary (USD$)

$5.932m

Revenue for 2024
(FY 2023 $9.419m)

$2.345m

Recurring Support+ royalty Revenue
(FY 2023 $1.933m)

$7.77m

Cash receipts
(FY 2023 $7.47m)

Strategic Business

Samsung, Codan Telstra, Defence, AT&T Rio Tinto, Icom

$2.606m

Sustained investment in IP assets
(FY 2023 $2.743m)

$1.0m

FY24 operating cash
Seventh consecutive year of positive operating cash
(FY 2023 $762 k)

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Business Highlights

Growing recurring support and CAAS revenue base

Repeat resources sector activity – 2 further mine deployments in 2025

Blue chip customer base built up over 20+ years bringing the necessary credibility and reputation

Contract and opportunity pipeline headlined by AT&T, Rio Tinto, Codan, Icom and Defence

Intellectual property portfolio built over 20+ years and over $32 m invested

Continued positive exposure to global infrastructure and government spending

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2024 Significant Activities

Successful AT&T FirstNet Deliveries

- Deployed into AT&T FirstNet

- Initial "live customer" calls as part Beta/introduction process

- Further AT&T orders in 2025

Telstra 5G Public Safety Experience Centre

- Mirrors the AT&T FirstNet deployment

- Showcased by Telstra to State & Federal Public Safety Agencies throughout 2024 and extending into 2025

- Demonstrated emerging next generation public safety technologies

New Digital Network Products for LMR Markets

- Continued development of Etherstack's new XBR digital repeater products for the public safety market with new FCC certifications expected this month

- New public safety agency "on-ramp/off-ramp" products to facilitate interworking and migration from traditional digital radio networks and new 5G Mission Critical Push-To-Talk (MCPTT)

2024 Significant Activities

Continued Recurring Revenue Growth

- Additional network wins continue to add to recurring revenue growth a significant KPI for the business that supports medium to long term profitability (see next slide)

Increased R&D Spend YoY from 2023 to 2024

- Exceeded US$2.6m on R&D primarily in emerging (MCPTT) and long term (Defence) product lines

- No slowdown in R&D expenditure to support new market growth in near term

Realisation of CaaS (Communications as a Service) Investments

- While not reflected in the 2024 revenues, Etherstack's investments in CaaS solutions for public safety and other critical communications applications have started to provide initial returns in FY2025

- Continued capital investment and services expansion expected to grow, internally funded by strong FY2025 receipts as previously reported

Recurring revenue remains a core focus for Etherstack

Recurring Revenue Support & CaaS (USD$'000)

Year	Value
2018	1,168
2019	1,490
2020	1,588
2021	1,777
2022	1,876
2023	1,800
2024	2,293
2025f	3,800 (est.)
2026f	4,600 (est.)
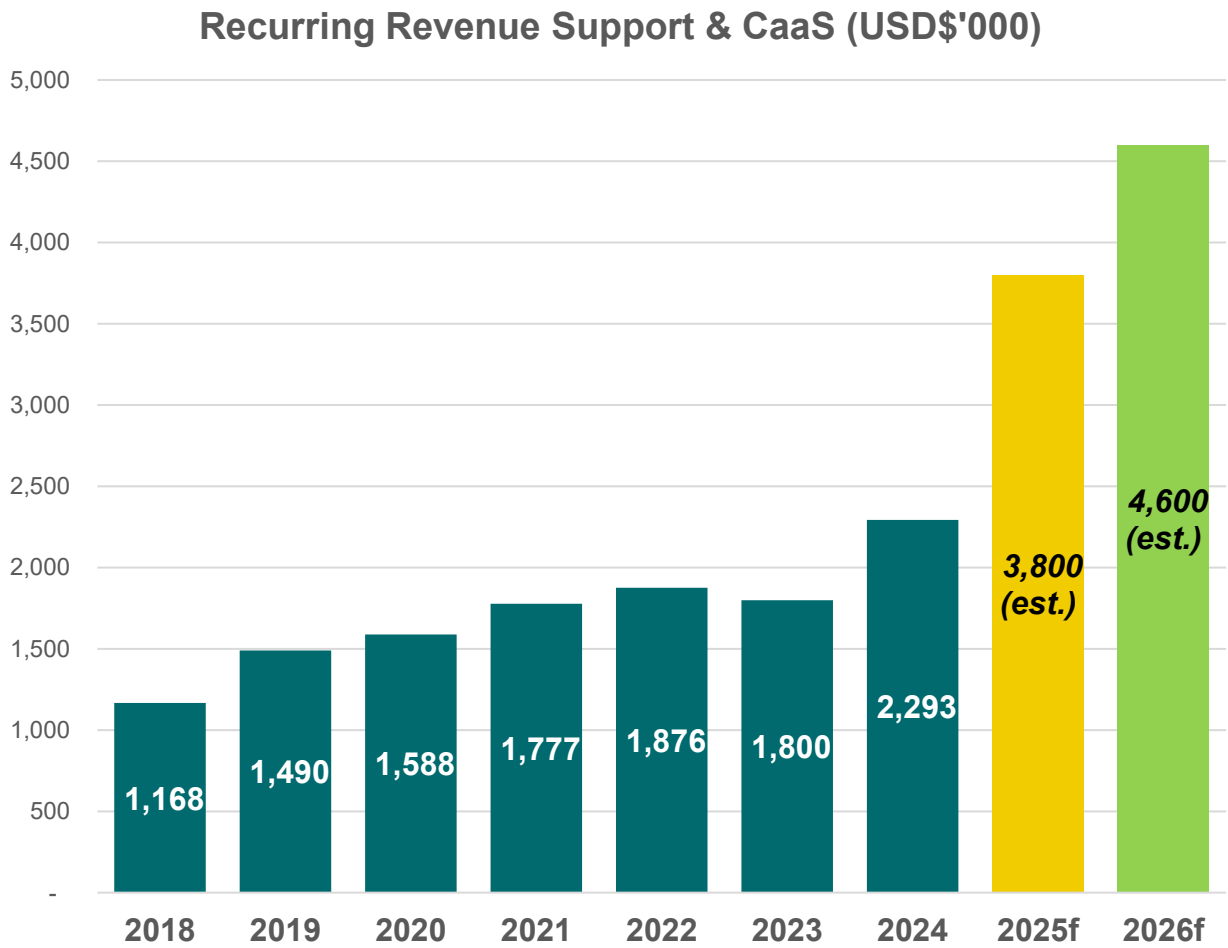
Key factors in FY2024 Recurring Support Revenues

- **Increase to be driven by:**
  - **New network deployments**
  - **Incremental growth to existing networks**
  - **High customer retention rates**

New CaaS Revenues

- **Expected to deliver growth in FY2025 based on initial deliveries to existing clients, while at this point in the year remaining**

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Income Statement

US$'000	2024	2023
Revenue from Contracts with Customers	**5,932**	**9,419**
Recurring support and Royalty revenue	2,345	1,933
Project and Product Revenues	3,587	7,486
% Recurring Revenue to Total Revenue	*40%*	*21%*
Cost of Sales	4,531	4,263
Gross Profit	**1,401**	**5,156**
Gross Margin	*23%*	*55%*
Other Income	188	115
Other Overheads	(2,761)	(2,598)
EBITDA	**(1,172)**	**2,673**

Key comments

- **Revenue decrease is primarily due to timing of project revenues**
- **Recurring revenues have increased**
- **Cost of sales includes the amortization charge on the IP assets of $1,994 (2023 $1,651)**
- **Gross Margin of 23% (2024 55%) note 1**
- **Other overheads are very similar between 2023 and 2024**

Note 1: Etherstack gross profit margins vary depending on the mix of Etherstack product (relatively high margin) vs third party product (relatively low margin) and is driven by the nature of projects in the year.

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Balance Sheet & Cash Flow Statement

Balance Sheet

US$'000	31-Dec-24	31-Dec-23
Cash and cash equivalents	136	2,061
Trade and other receivables	3,325	4,606
Other current assets	237	294
Intangibles	8,768	8,156
Other non-current assets	1,287	1,106
Total assets	**13,753**	**16,223**
Trade and other payables	1,658	1,570
Deferred revenue	1,497	1,337
Other liabilities	1,640	1,064
Borrowings	2,640	2,425
Total liabilities	**7,435**	**6,396**
Net assets	**6,318**	**9,827**

Cash Flow Statement

US$'000	2024	2023
Net cash generated from operating activities	994	762
Net cash flow (used in) investing activities	(2,697)	(2,849)
Net cash flow generated(used in) financing activities	(199)	2,213
Net increase/(decrease) in cash	**(1,902)**	**126**
Effect of foreign exchange rate changes	23	17
Cash and cash equivalents at start of period	2,061	1,918
Cash at end of period	**136**	**2,061**

Strong balance sheet position, providing a foundation to invest in growth

Tight management of cashflow and investment

Operating cash flows consistently positive

Modest debt expected to be reduced during FY2025 on the back of continued positive operating cashflow

Continued R&D investment into intellectual property builds on Etherstack's competitive advantage

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Strong outlook driven by focus on key strategic initiatives

Cellular Networks

Telco carrier pursuits currently underway with multiple international switch vendors and direct to carrier

LMR Networks

Expansion of existing Australian & International public safety networks

"Land and expand"

Two more Rio Tinto network deployments announced in 2025

Defence

License and supply of defence communications solution to other nations

Australian Defence projects commenced in 2023 continue and are expected to expand in 2025

Upgrades

Commencement of upgrades to virtualised switching solutions across installed base

Satellite network

Procure initial contracts with satellite network terminal providers to incorporate Etherstack technology into their network solutions

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Questions

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