

Appendix 4E (Preliminary Final Report)

Key highlights

- **Revenue of US\$9.681 m representing a 14% increase over FY2021**
 - **FY2022 EBITDA increased 33% over FY2021 to US\$3.468 m**
 - **FY2022 NPAT of US\$2.193 m vs FY2021 of US\$1.455 m – a 51% increase**
 - **The business continued to deliver key contract wins and follow on orders, including:**
 - **a 5 year extension to the Samsung Global Teaming Agreement for Samsung to exploit our MCX IWF product**
 - **an initial contract with Nokia for Etherstack’s MCX IWF technology**
 - **follow-on orders from the Australian & UK Governments; and**
 - **follow-on orders for Rio Tinto LMR network projects**
 - **Successful launch of our 3GPP standards based MCX IWF telco carrier product for 4G & 5G networks**
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Etherstack plc (ASX:ESK) ("Etherstack" or the "Company") is pleased to present the Appendix 4E (Preliminary final report) for the year ended 31 December 2022.

David Deacon, Etherstack CEO noted, “2022 was a very strong year for the business. Revenue grew 14% following an 81% increase in 2021. A significant increase in profitability was achieved in FY 22 with 14% revenue growth driving EBITDA growth of 33% and Statutory profit after tax growth of 51%.

We have progressed on all the core building blocks of our business. Etherstack continued building its recurring revenue base, its intellectual property portfolio and an opportunity pipeline containing top-tier global communications companies.

Progress on these building blocks in 2022 has produced results that the Company, the Board and myself are very proud of.

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Specifically,

- Etherstack delivered on key milestones in the first Samsung project for Samsung's customer, AT&T (on behalf of FirstNet® emergency services network),
- Signed a revised Global Teaming Agreement with Samsung in October 2022 which extends the contractual relationship for a further 5 years and contains a mechanism for further extensions. Within this framework, the company has pursued additional carrier opportunities with Samsung which, when concluded, are expected to generate significant revenues for Etherstack.
- An initial Nokia MCX IWF (Mission Critical Push-To-Talk InterWorking Function) contract was signed for a pilot project in Australia proving the global demand for the product. The Company believes there is a substantial addressable market for this product with known procurements under way in many OECD countries, but also notes the market is evolving and adoption timing can be unpredictable. That said, we are very pleased to have won the first major deliveries of this type in the world with Samsung and Nokia.
- Government business including technology and services contracts with the UK Ministry of Defence, the Australian Department of Defence and Australian Department of Home Affairs. In particular, an AUD \$1.7m Australian Defence follow-on order received in September 2022.
- In 2020, the Company entered an initial deal with an integration partner to deliver a digital radio network to a Rio Tinto project in Western Australia. Two follow-on orders were received in FY 21 and a further two in FY 22 for Rio Tinto projects. There is significant opportunity for Etherstack in this sector and with this end user.
- The Group made two major product releases in 2022:
 - Carrier grade MCX IWF. This seamlessly bridges traditional public safety land mobile radio (LMR) networks with next generation MCPTX (Mission Critical Push To Talk) services.
 - NATO NBWF (Narrowband Waveform) standard waveform software implementation, framework and simulation tools for use by NATO member nations and their defence radio manufacturers.

Importantly and specifically in the context of Etherstack's MCPTX business, the revised Global Teaming Agreement with Samsung allows Etherstack to pursue opportunities with other network vendors or directly with telco carriers.

As a consequence, the addressable market for our MCPTX LMR IWF product has increased significantly. This is demonstrated by the pilot contract with Nokia, as noted above. In addition, the company is pursuing opportunities separately with both Samsung and Nokia and is also pursuing opportunities to provide MCX IWF technology directly to carriers for integration with their preferred MCX partners.

We are very pleased to see that revenue growth is driving increased profitability. We are committed to driving further revenue and profit growth for our shareholders and are well placed to deliver on these objectives.”

Authorised for release by David Carter, Company Secretary.

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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

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Appendix 4E

Preliminary final report

Name of Entity: Etherstack plc

ARBN: 156 640 532

1. Reporting Period (“current period”): Year ended 31 December 2022
Previous corresponding period: Year ended 31 December 2021

2. Results for announcement to the market

		USD \$000	%		31 Dec 2022 USD \$000	31 Dec 2021 USD \$000
Revenue from ordinary activities	Increased	1,177	14	to	9,681	8,504
EBITDA <small>(Note 1)</small>	Increased	857	33	to	3,468	2,611
Statutory Profit from ordinary activities after tax attributable to members	Increased	738	51	to	2,193	1,455
Statutory Net Profit for the period attributable to members	Increased	738	51	to	2,193	1,455

Note 1. EBITDA is a non-IFRS measures used by management of the company to assess the operating performance of the business. Non-IFRS measures are not subject to audit.

EBITDA is statutory net profit before tax adjusted to remove net finance costs, income tax, depreciation and amortisation. EBITDA is reconciled to Statutory profit after tax on page 9 of this report.

The report is based on accounts which are in the process of being audited.

2022 Results Summary and Commentary - all amounts are in **USD** unless otherwise indicated.

Results Highlights



Revenue growth: revenue is \$9.681 m representing a \$1.177 m or a 14% increase over FY 2021 revenue of \$8.504 m



EBITDA increased to \$3.468 m: up from \$2.611 m in FY 21, a 33 % increase



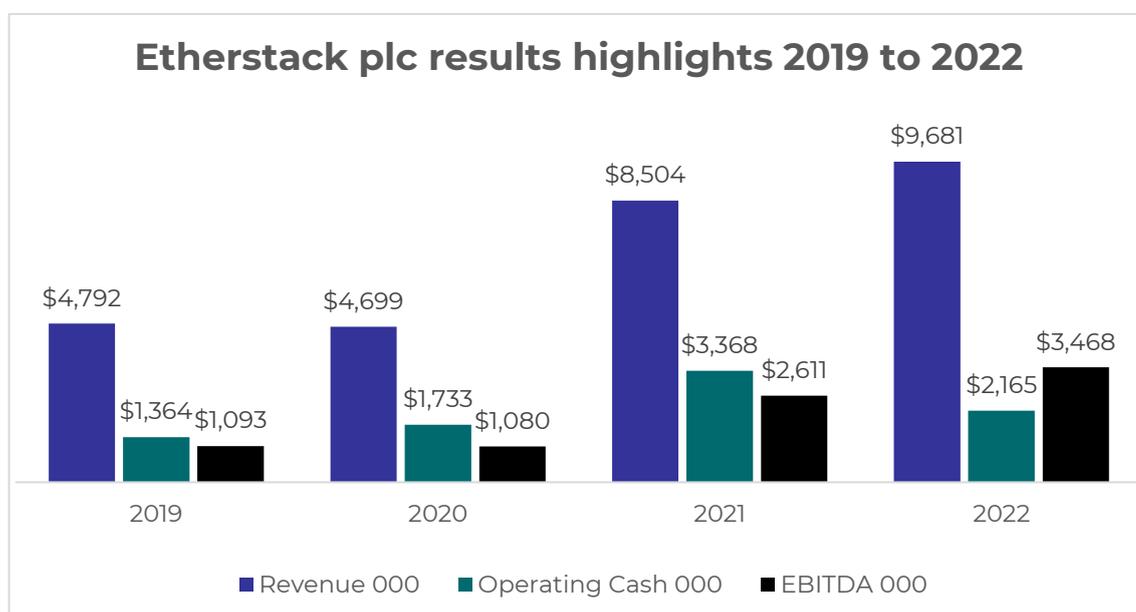
NPAT increased to \$2.193 m: Statutory profit after tax has increased \$0.738 m or 51% over \$1.455 m in FY 21



Sustained Positive Operating Cashflow: Net operating cash inflow of \$2.165 m. Fifth consecutive year of significant positive operating cashflow



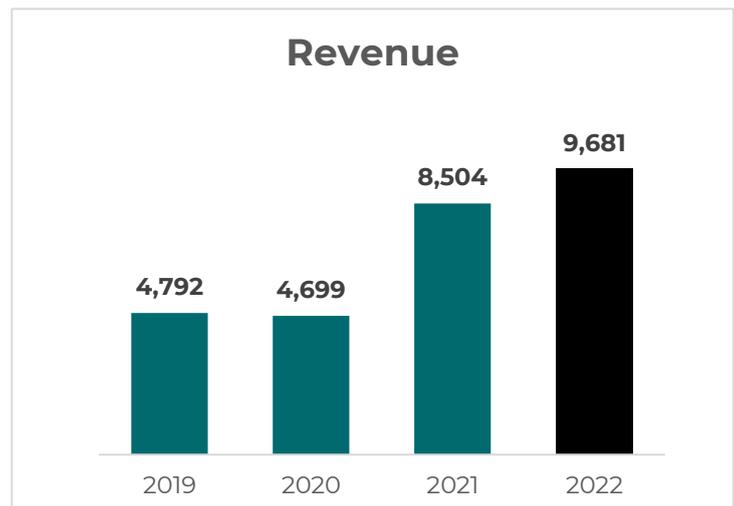
Strategic Contracts and Business development: two new products launched, Samsung relationship extended and new contract with Nokia.



Revenue (All amounts are in USD and \$000 unless otherwise indicated)

FY 2022 Revenue is \$9,681. This is an 14% increase over FY 21 revenue of \$8,504. The step change in revenue in FY 21 has been sustained in FY 22.

The key driver of revenue growth in 2022 is increased project activity along with an increase in recurring support revenues (as outlined below).



	2022	2021	
Projects	7,413	6,227	▲
Support	1,876	1,777	▲
Royalties	392	500	▼
	9,681	8,504	▲

Project Revenues

Project revenues comprising Licence fees, installation/integration and supply of wireless communications technology were \$7,413 in FY 22 compared to \$6,227 in FY 21, an increase of \$1,186 or 19%.

2021 saw a step change in revenue driven by activities with Samsung, Australian Defence projects and resource sector deployments. As noted above, this step change in revenue has been sustained in 2022 and increased in 2022, as outlined below.

- In July 2021, the Company announced the first carrier deal with Samsung to supply Etherstack technology to Samsung's first telco carrier customer. The contract value is \$8.5m comprising licences, integration and support. Implementation commenced in 2021 and has continued throughout 2022. There are additional deliveries expected to be made in 2023. Following the delivery of these remaining items, support revenues are expected to commence.
- In December 2020, the Company announced an Australian Defence contract. The first stage was successfully completed in 2022 and in September 2022 the Company announced an AUD \$1.7 million follow on order with the majority of the revenue to be recognised over 2022 and 2023.
- In 2022, the Company announced two further orders (following on from orders in 2020 and 2021) for AUD \$1.65 million for projects located in Western Australia's Pilbara region which were delivered in 2022.
- In August 2022, Etherstack entered an AUD \$755,000 contract with Nokia Solutions and Networks Australia for a pilot deployment of Etherstack's MCX LMR-IWF product.

Recurring revenues

Aggregate recurring revenues comprising support and royalty revenue streams are \$2,268 for FY 22 compared to \$2,277 for FY 21. Within this aggregate recurring revenue amount:

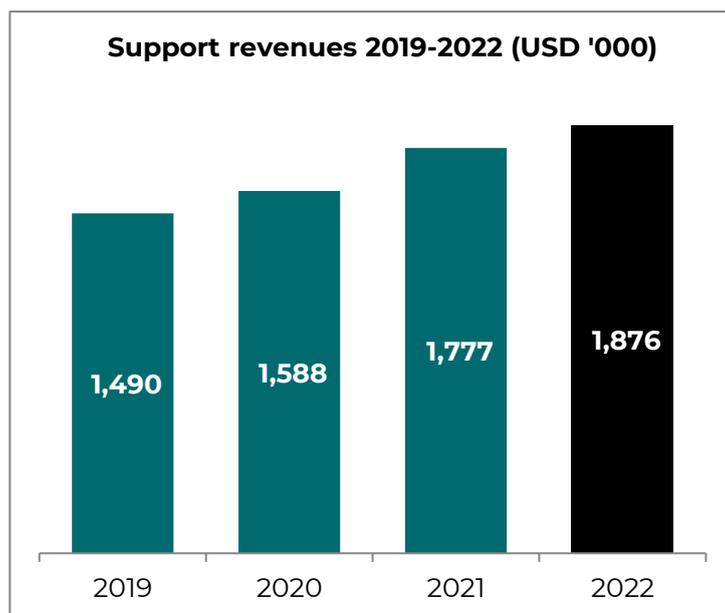
- support revenues increased from \$1,777 in FY 21 to \$1,876 in FY 22. This is a \$99 or 6% increase.; and
- royalty revenues decreased from \$500 in FY 21 to \$392 in FY 22.

Recurring revenues reduce both overall revenue volatility and cash flow volatility. Furthermore, they reduce dependence upon a small number of large contracts where timing of revenue recognition is difficult to accurately forecast given the scale and nature of the projects and end users.

Support revenues

Support revenues increased in FY 22 to \$1,876 from \$1,777 in FY 21 following the rollout of additional digital radio networks in FY 21 as well as incremental growth to existing supported networks and continued high levels of contract renewal.

FY 22 is the ninth consecutive year of support revenue growth.



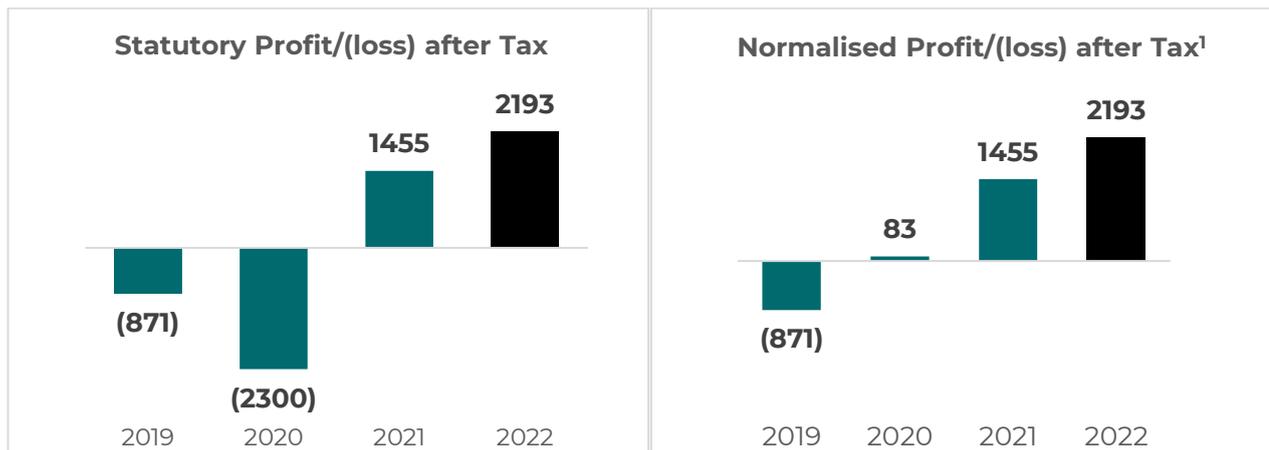
Royalty revenues

Royalty revenues are generated from licence agreements whereby equipment manufacturers pay Etherstack a licence fee per item manufactured, for the use of Etherstack technology in their products, such as digital radio base stations and radio handsets.

Royalty revenues decreased in FY 22 from \$500 to \$392. Royalties earned by Etherstack follow the increase or decrease in sales achieved by manufacturers whose products integrate Etherstack technology however royalty revenues can also increase when Etherstack signs a new royalty agreement and the licensee provides minimum guaranteed volumes.

Result for 2022

Statutory profit after income tax is \$2,193 compared to a profit after income tax of \$1,455 in FY 2021.



Note 1: the 2020 Normalised profit excludes the non-cash finance charge of \$2,383 arising on revaluation of convertible notes on 30 June 2020 and is not considered to be part of the underlying result. There are no adjustments in 2019, 2021 or 2022. Normalised profit is a non IFRS performance measure and is unaudited.

The 2022 improvement in statutory profit after tax is due to the combined effects of;

- Increased revenues, as outlined above.
- Gross margin increased slightly from 65% in FY 21 to 67% in FY 22. Gross margin can vary significantly depending on the mix of Etherstack hardware, software and services content, which are at a higher margin, and third-party products where the margins are lower. Gross margin includes the amortisation charge, which decreased in FY 22 to \$850 compared to \$1,058 in FY 21. There was no change to amortisation rates however a number of projects became fully amortised leading to a reduced amortisation charge included in cost of sales.
- Sales and Marketing Costs have increased in FY 22 over FY 21 as a consequence of higher salary and incentive costs. In addition, Marketing and Trade show activity increased in FY 22 over FY 21 levels which was temporarily reduced due to the COVID-19 pandemic.
- Administrative costs increased in FY 22 due to:
 - Increased employment related costs reflecting an increased headcount and higher salary costs in most geographies. In particular, the non-cash expenses connected to Etherstack's incentive programmes and recruitment costs as the Group increased engineering personnel.
 - Increased travel. The FY 22 increase follows reduced spend in FY 21 due to COVID-19 travel constraints.

- The Etherstack group has operations in Australia, United States, United Kingdom, Europe and Japan and as a consequence is exposed to gains and losses from foreign currency fluctuations between the reporting currency, USD, and the other currencies in which transactions are undertaken; Australian dollar, Yen, Euro and GBP. In FY 22 there was a currency gain of \$160 compared to a loss of \$543 in FY 21.
- Reduced Income tax benefit from Research & Development incentives, notwithstanding an increased investment into intellectual property assets in 2022. The income tax credit in FY 22 is \$95 vs \$391 in FY 21. The incentive calculation includes caps based upon profitability. The increased profitability in FY 22 has caused a reduction in the amount of Research & Development incentive the company is eligible to receive.

EBITDA

The Company considers EBITDA to be a useful measure of performance as it excludes the significant non-cash amortisation expense.

EBITDA has increased to \$3,468 from \$2,611 in FY 21. The key reasons for the increased EBITDA are summarised above.

	2022	2021
Statutory profit after tax	2,193	1,455
Add back:		
Depreciation	184	66
Depreciation of right-of-use assets	235	257
Amortisation	850	1,058
Net Interest expense	101	166
Less: Income tax benefit	(95)	(391)
EBITDA	3,468	2,611

Strategic Business Wins Across Public Safety, Defence & Resource Sectors

In FY 22 the Company signed a revised Global Teaming Agreement with Samsung. The revised agreement has the following key terms and revisions:

- **Global teaming relationship extended for a further 5 years** - the original Global Teaming Agreement had an initial period of 2 years. The revised Global Teaming Agreement will apply for a minimum of five years - commencing from 30 September 2022 (and includes a mechanism for further extensions).
- **Defined set of telecommunications carrier opportunities** – Etherstack and Samsung have identified a set of customer opportunities and will collaborate in partnership for these opportunities. This revised approach enables Etherstack to pursue a wider pipeline of opportunities to those being pursued with Samsung.
- **Accelerated payment milestones** for the first telecommunications carrier contract – the timing of cash payments has been revised to better reflect Etherstack’s development progress and costs to date.

The Company currently has a number of opportunities in progress with Samsung. The revised Global Teaming Agreement with Samsung allows Etherstack to pursue opportunities with other network vendors or directly with telco carriers.

As a consequence, the addressable market for our MCX IWF product has increased significantly. This is demonstrated by the pilot contract with Nokia. In addition, the company

is pursuing opportunities separately with both Samsung and Nokia and is also pursuing opportunities to provide MCX IWF technology directly to telco carriers.

While the market opportunity for the **MCX IWF product** is significant and Etherstack considers it has a first mover advantage within this market, the global opportunities are still evolving in this nascent market and the Company cautions that the timing and volume of wins still remains hard to predict. The largest MCX LMR IWF deployment in the world is the current deployment with Samsung for AT&T FirstNet® and the successful completion of this project is likely to ensure market dynamics remain favourable.

Nokia Solutions and Networks

In August 2022, the Company announced a contract with Nokia Solutions and Networks Australia to supply professional services and a pilot license for the deployment of Etherstack's MCX LMR-IWF product.

This is a critically important step as it (a) demonstrates market demand for the MCX LMR-IWF product and (b) represents the first step in taking the MCX LMR-IWF product to market through a new channel partner.

In addition to pursuing the above opportunity for the next phase of the project with the existing customer, Etherstack and Nokia are jointly pursuing multiple other opportunities globally.

Australian Department of Defence

As noted above, the Company announced an AUD \$1.7 million follow on order with the Australian Department of Defence for the second stage of a technology project following successful completion of the first stage. The Company maintains a close relationship with the Department of Defence and looks forward to additional follow on orders and other related opportunities.

Resources sector

During FY 22, the Company announced two further network deployments in the Pilbara region of north-west Western Australia for Rio Tinto and additional deployments are expected in 2023 and beyond.

These 2022 orders represent the seventh and eighth orders for the Company's digital radio technology for mining projects received from integration partners supplying Rio Tinto as the end-customer. The combined value of these eight orders since May 2020 is in excess of A\$3m. The Company has previously emphasised the importance of growing this strategic customer relationship and is pleased to be able to report further progress in 2022 in terms of new deployments and commencement of support services for previous network deployments.

2022 Overall

Etherstack is generating positive operating cash, has a strong EBITDA, significantly improved balance sheet and, importantly, has generated \$2,193 in Statutory profit after tax.

The opportunity pipeline remains healthy and management believe the Company is poised for further growth in FY 2023 and beyond.

The Company looks forward to 2023 with confidence.

Dividends

No dividends are proposed. The company intends to commence payment of dividends after achieving positive retained earnings in future years.

Record date for determining entitlements to the dividends: Not applicable.

3. Consolidated statement of comprehensive income

	2022 USD \$000	2021 USD \$000 Note 1
Revenue from Contracts with Customers	9,681	8,504
Cost of sales	(3,170)	(2,991)
Gross profit	6,511	5,513
Other income	126	121
Sales and Marketing expenses	(1,253)	(934)
Administrative expenses	(3,345)	(2,927)
Net foreign exchange (losses) / gains	160	(543)
Gross operating profit from continuing operations	2,199	1,230
Embedded derivatives revaluation	-	(7)
Finance income-interest	4	2
Finance expense-borrowing costs	(105)	(161)
Net finance expense	(101)	(166)
Profit before taxation	2,098	1,064
Income tax benefit	95	391
Profit after taxation attributable to the equity holders of the parent	2,193	1,455
Other Comprehensive Income/(Loss)		
Items that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations	(317)	414
Total comprehensive income attributable to the equity holders of the parent	1,876	1,869
Earnings per share		
Basic (in US cents)	1.68	1.12
Diluted (in US cents)	1.63	1.09

Note 1: the profit and loss presentation for 2021 has been changed to follow the presentation method adopted in 2022. There is no change to the result however items in 2021 have been reclassified to be consistent with 2022 presentation and classification methodology.

	2022 USD \$000	2021 USD \$000
Revenue from Contracts with Customers		
Licence fees, installation/integration and supply of wireless communications technology	7,413	6,227
Support services	1,876	1,777
Royalties	392	500
	<u>9,681</u>	<u>8,504</u>
Other income		
Grant receipts – research and development incentives	126	121
	<u>126</u>	<u>121</u>
Expenses		
Included within expenses are the following:		
Depreciation of property, plant and machinery	184	66
Depreciation of Right-of-use assets	235	257
Rental expense	143	183
Amortisation of intangible assets	850	1,058
Finance costs – interest on loans and Convertible notes	23	61
Finance costs – interest on leased assets	82	100

4. Condensed consolidated balance sheet

		2022	2021
		USD	USD
		\$000	\$000
Current assets			
Cash and cash equivalents		1,918	3,038
Trade and other receivables	8	3,309	2,439
Inventories	7	431	320
Right-of-use assets		216	210
		<u>5,874</u>	<u>6,007</u>
Non-Current Assets			
Property, plant and equipment	10	544	619
Intangible assets	9	7,064	5,358
Trade and other receivables	8	172	276
Right-of-use assets		187	296
		<u>7,967</u>	<u>6,549</u>
Total assets		<u>13,841</u>	<u>12,556</u>
Current liabilities			
Trade and other payables	11	2,362	2,584
Current tax liabilities		113	110
Deferred revenue		1,356	2,047
Employee entitlements		575	477
Lease liabilities		233	239
		<u>4,639</u>	<u>5,457</u>
Non-Current Liabilities			
Deferred revenue		249	168
Employee entitlements		30	14
Lease liabilities		273	405
		<u>552</u>	<u>587</u>
Total Liabilities		<u>5,191</u>	<u>6,044</u>
Net Assets		<u>8,650</u>	<u>6,512</u>
Equity			
Share capital	12	745	745
Share premium account		15,696	15,686
Merger reserve		3,497	3,497
Share based payment reserve		928	676
Foreign currency translation reserve		(2,886)	(2,569)
Retained earnings		(9,330)	(11,523)
Total equity		<u>8,650</u>	<u>6,512</u>

5. Condensed consolidated statement of cash flows

	2022 USD \$000	2021 USD \$000
Cash flows from operating activities		
Receipts from customers	8,162	8,242
Payments to suppliers and employees	(6,346)	(5,155)
Interest paid	(105)	(120)
Government grants and tax incentives	573	461
Income tax paid	(119)	(60)
Net cash generated from operating activities	<u>2,165</u>	<u>3,368</u>
Cash flows from Investing activities		
Additions to intangible assets	(2,556)	(2,902)
Purchases of property plant and equipment	(146)	(632)
Net cash (used in) investing activities	<u>(2,702)</u>	<u>(3,534)</u>
Cash flows from Financing activities		
Share issue costs	(1)	(4)
Principal element of lease payments	(265)	(167)
Repayments of loan	(148)	(634)
Net cash (used in) financing activities	<u>(414)</u>	<u>(805)</u>
Net decrease in cash and cash equivalents	<u>(951)</u>	<u>(971)</u>
Cash and cash equivalents at beginning of year	3,038	4,180
Effect of foreign exchange rate differences	(169)	(171)
Cash and cash equivalents at end of year	<u><u>1,918</u></u>	<u><u>3,038</u></u>

6. Statement of changes in equity

	Share Capital	Share Premium	Share Based payment	Merger reserve	Foreign Currency Translation reserve	Retained earnings	Total
	USD \$000	USD \$000	USD \$000	USD \$000	USD \$000	USD \$000	USD \$000
Balance at 1 January 2021	739	15,212	609	3,497	(2,983)	(12,978)	4,096
Profit for the year	-	-	-	-	-	1,455	1,455
Other Comprehensive Income - gains	-	-	-	-	414	-	414
Total Comprehensive income	-	-	-	-	414	1,455	1,869
Issue of Share Capital	6	474	-	-	-	-	480
Share based payments	-	-	67	-	-	-	67
Transactions with owners	6	474	67	-	-	-	547
At 31 December 2021	745	15,686	676	3,497	(2,569)	(11,523)	6,512
Profit for the year	-	-	-	-	-	2,193	2,193
Other Comprehensive Income – (losses)	-	-	-	-	(317)	-	(317)
Total Comprehensive income	-	-	-	-	(317)	2,193	1,876
Issue of Share Capital	-	10	-	-	-	-	10
Share based payments	-	-	252	-	-	-	252
Transactions with owners	-	10	252	-	-	-	262
At 31 December 2022	745	15,696	928	3,497	(2,886)	(9,330)	8,650

7. Inventories

	2022 USD \$000	2021 USD \$000
Work in progress	431	582
Slow moving stock provision	-	(262)
Total stock at hand	431	320

8. Trade and other receivables

	2022	2021
	USD \$000	USD \$000
Current		
Trade debtors	1,273	1,030
Accrued income from contracts in progress	1,213	373
Other debtors	823	1,036
	3,309	2,439
Non current		
Accrued income from contracts in progress	172	276

9. Intangible Assets

	Capitalisation of development costs USD \$000	Engineering software USD \$000	Customer contract intangible USD \$000	Goodwill USD \$000	Total USD \$000
Cost					
At 1 January 2021	22,221	431	881	353	23,886
Additions	2,678	224	-	-	2,902
Exchange differences	(1)	1	(51)	-	(51)
At 31 December 2021	24,898	656	830	353	26,737
Additions	2,459	97	-	-	2,556
Disposals	-	(4)	-	-	(4)
At 31 December 2022	27,357	749	830	353	29,289
Accumulated amortisation and impairment					
At 1 January 2021	18,777	412	828	353	20,370
Amortisation charge for the year	962	45	51	-	1,058
Exchange differences	-	-	(49)	-	(49)
At 31 December 2021	19,739	457	830	353	21,379
Amortisation charge for the year	767	83	-	-	850
Disposals	-	(4)	-	-	(4)
At 31 December 2022	20,506	536	830	353	22,225
Carrying amount					
At 31 December 2022	6,851	213	-	-	7,064
At 31 December 2021	5,159	199	-	-	5,358

10. Property, Plant and equipment

	Leasehold property	Furniture & equipment	Computer equipment	Work in progress Leasehold property improvements	Total USD \$000
	USD \$000	USD \$000	USD \$000	USD \$000	
Cost					
At 1 January 2021	29	170	397	-	596
Additions	-	113	156	363	632
Exchange differences	(2)	(9)	(12)	(12)	(35)
At 1 January 2022	27	274	541	351	1,193
Additions	-	44	67	35	146
Reclassification	370	-	-	(370)	-
Exchange differences	(11)	(18)	(46)	(16)	(91)
At 31 December 2022	386	300	562	-	1,248
Accumulated depreciation					
At 1 January 2021	29	137	357	-	523
Charge for the year	-	27	39	-	66
Exchange differences	(2)	(6)	(7)	-	(15)
At 1 January 2022	27	158	389	-	574
Charge for the year	86	33	65	-	184
Exchange differences	(4)	(14)	(36)	-	(54)
At 31 December 2022	109	177	418	-	704
Carrying amount					
At 31 December 2022	277	123	144	-	544
At 31 December 2021	-	116	152	351	619

11. Trade and other payables

	2022 USD \$000	2021 USD \$000
Current		
Trade creditors and accruals	452	866
Other creditors	1,362	1,188
Other taxes and social security costs	548	530
	<u>2,362</u>	<u>2,584</u>

12. Share capital

	2022 USD \$000	2021 USD \$000
Called up, allotted and fully paid 130,759,502 (2021: 130,719,502) ordinary shares of 0.4p	745	745

13. Earnings per share

Details of basic and diluted EPS are as follows:

	2022		2021	
	Basic USD \$000	Diluted USD \$000	Basic USD \$000	Diluted USD \$000
Profit for the year	2,193	2,193	1,455	1,455
	Number	Number	Number	Number
Weighted average number of ordinary shares for basic and diluted earnings per share	130,721,255	134,624,277	130,189,354	133,169,980

14. Dividends

There are no dividends paid or proposed in respect of the current period or the prior period.

15. Dividend Reinvestment Plans

There are no dividend or distribution reinvestment plans in operation.

16. Net tangible assets

	2022 USD cents	2021 USD cents
Net tangible assets per ordinary share	0.9	0.5

17. Details of entities over which control has been gained or lost

There are no entities over which control was gained or lost in the current period.

18. Details of associates and joint venture entities

Not applicable.

19. Accounting standards

The preliminary final report has been prepared in accordance with ASX listing rule 4.3A and has been derived from the unaudited financial report. The financial report has been prepared in accordance with measurement and recognition (but not disclosure) requirements of International Financial Reporting Standards (IFRS).

As such, this preliminary final report does not include all the notes of the type included in an annual financial report.

20. Segment Reporting

The Group operates and reports as a single segment. The principal activities of the Group are design, development and deployment of wireless communications software, products and networks.

21. Contingent liabilities

There are no Contingent liabilities.

22. The report is based on accounts which are in the process of being audited.