

19 August 2025

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

RESULTS FOR THE HALF YEAR 30 JUNE 2025

Highlights

All amounts are in thousands of **USD**, unless otherwise specified.

- **Revenue:** Revenue increased 87% from \$3,258 to \$6,079 driven by further increases in support revenues and strong project revenues. Revenue for first half (H1) 2025 exceeds 2024 full year revenue, noting that 2024 was a poor year from a financial perspective and the Group is pleased to have addressed the non-recurring issues impacting 2024 and looks forward to delivering strong results for 2025 leveraging the strong start delivered in H1.
- **EBITDA:** half year EBITDA is \$2,543 up 1537% from a loss of (\$177) in the prior corresponding period (pcp)
- **Operating Cashflow:** the Group had strong cash receipts of \$7,078 in the half year, compared to \$4,575 for the prior corresponding period, and had a positive operating cashflow of \$3,378
- **Statutory net profit/(loss) after tax:** Statutory net profit after tax is \$1,288 an increase from (\$1,486) loss for the pcp
- **Outlook:** management expects a strong second half, relative to H2 FY24, as milestones for contracted projects are delivered.
- **Significant progress made on major projects:** During the period the Group has enhanced the supply chain with AT&T as we delivered equipment, licenses and services related to the Company's mission critical push to talk (MCXPTT) solution for public safety agencies.
- **Strategic business development:** in the half year, and up to the date of this report, the Group:
 - Continued to pursue and develop opportunities for our MCX-IWF product in multiple international markets with top-tier communication companies and government public safety agencies
 - Continued to pursue and develop opportunities within the defence sector in Australia and the UK and expect to be awarded further projects during H2
 - Successful delivery of the eighth and ninth digital land mobile networks to Rio Tinto projects in the Pilbara. This repeat business demonstrates the end customer satisfaction with our technical solutions and ongoing support.
 - Continued upgrades to existing state and federal government digital radio networks within the public safety sector in Australia, the Americas and the Middle East

David Deacon, Etherstack's Chief Executive Officer, commented:

"Etherstack has three emerging business models that affect our short, medium and long term growth plans. Our headline project revenue, with good margin, can be lumpy over half year boundaries. Our traditional long term support revenues, combined with our rapidly emerging CaaS revenues, remain a KPI for the business and we believe have now grown to the point so as to blunt the volatility seen in

recent half year periods. Both of these recurring revenue streams are expected have a larger share of overall revenue share in the current full year and next financial year as our CaaS clients expand. Our commitment to long term highly specialised R&D, particularly in our satcomms technologies and defence unit, will be key to our long term success through diversification into nearby market verticals to those that are currently generating the cash for the business today."

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 Reading, Sydney, New York and Yokohama.



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**Etherstack plc
and controlled entities**

Appendix 4D
Half Year report under ASX listing Rule 4.2A.3
Half Year ended on 30 June 2025

ARBN 156 640 532

**Previous Corresponding Period: Half
Year ended on 30 June 2024**

Results for Announcement to the market				USD\$'000
Revenue from ordinary activities	increased	87%	to	6,079
EBITDA ¹	increased	1537%	to	2,543
Profit from ordinary activities after tax attributable to members	increased	187%	to	1,288
Net Profit attributable to members	increased	187%	to	1,288
Note 1 - EBITDA is a non-IFRS measure used by management of the company to assess the operating performance of the business. Non-IFRS measures are not subject to audit or review. A reconciliation of EBITDA to Net profit after tax is included in the Directors report.				

Dividends

There were no dividends declared or paid during the period (30 June 2024: \$nil) and the Directors do not recommend any dividend be paid.

	30 June 2025 US cents	30 June 2024 US cents
Net tangible assets per share		
Net tangible assets per share	(1.7)	(0.2)

Explanation of Results

A detailed review and analysis of operations and financial results is set out within the Directors' Report.

The unaudited condensed consolidated interim financial report for the half year ended 30 June 2025 dated 19 August 2025, forms part of and should be read in conjunction with this Half Year Report (Appendix 4D). The unaudited condensed consolidated interim financial report has been prepared in accordance with UK adopted IAS 34 Interim Financial Reporting.



David Deacon, Director
19 August 2025

Etherstack plc AND CONTROLLED ENTITIES

ARBN 156 640 532

INTERIM CONDENSED FINANCIAL REPORT
FOR THE HALF YEAR ENDED 30 JUNE 2025



CONTENTS

Directors' Report	2-6
Independent auditor's review report on Interim Financial Information to Etherstack plc	7-8
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Consolidated Statement of Changes in Equity	11
Consolidated Statement of Cash Flows	12
Notes to the Consolidated Financial Statements	13-17
Directors' Declaration	18
Corporate Information	19

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, Annapolis and Yokohama

DIRECTORS' REPORT

The directors present the interim condensed consolidated financial report of Etherstack plc (the "Company" or "Etherstack") and its controlled entities (together referred to as "the Group") for the half year ended 30 June 2025. All amounts are in thousands of USD, unless otherwise specified.

Directors

The names of the Company's directors in office during the half year and until the date of this report are set out below. Directors were in office for the entire period:

- Peter Stephens Non-Executive Chairman
- David Deacon Executive Director and Chief Executive Officer
- Paul Barnes Non-Executive Director
- Scott W Minehane Non-Executive Director

2025 First Half Highlights

- Revenue is up 87% to \$6,079
- Revenue increased 87% from \$3,258 to \$6,079 driven by further increases in support revenues and strong project revenues. Revenue for H1 2025 exceeds 2024 full year revenue, noting that 2024 was a poor year from a financial perspective and the company is pleased to have addressed the non-recurring issues impacting 2024 and looks forward to delivering strong results for 2025 leveraging the strong start delivered in H1.
- **EBITDA:** half year EBITDA is \$2,543 up 1537% from a loss of (\$177) in the pcg
- **Operating Cashflow:** the Group had strong cash receipts of \$7,078 in the half year, compared to \$4,575 for the prior corresponding period, and had a positive operating cashflow of \$3,378
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DIRECTORS' REPORT Continued

Principal activities

The principal activities of the Group throughout the period were design, development manufacturing and deployment of wireless communications software and products.

Etherstack has a substantial intellectual property portfolio that generates a diverse range of revenue from multiple technology areas and clients, and a mix of mature, new and emerging product lines.

Etherstack derives revenues from:

- Mission critical digital land mobile radio network products
- Specialised communications equipment
- Technology licences and royalties
- System solution sales
- Customisation and Integration services; and
- Recurring revenues in the form of Support services revenues and Communications as a Service, "CaaS", revenues.

Etherstack differentiation	Customer Benefit
Etherstack is focused on bringing the latest standards-compliant technology developments to communications markets globally.	Delivering standards-compliant solutions at lower price-points than equivalent in-house customer developments are a key benefit of sourcing from Etherstack.
Extensive partnership networks and use of non-proprietary interfaces.	Etherstack product and service offerings are designed from the ground-up to enable interoperability with other vendors' products, ensuring clients can select from the best solutions available to meet their needs and reducing or eliminating customer lock-ins.
Etherstack has developed domain expertise in communications technologies and participated in standards bodies globally for over 20 years.	Deploying Etherstack standards-compliant products and services accelerates customer timelines and reduces customer risk.
Etherstack has a global staffing presence of expert support engineers in all major client markets with, allowing follow-the-sun, 24/7/365 customer support capabilities.	Deploying Etherstack products and services is enhanced with through-life service and support, ensuring customers have a successful experience.
Extensive R&D investment over 20 years ensures continuous improvement of our intellectual property products.	Etherstack appreciates that technology does not stand still. Deploying Etherstack products and services ensures that customer access to the very latest in technological developments.

DIRECTORS' REPORT Continued

Review of operations and financial results

Revenues

Revenues for the half year are \$6,079 which is an increase of \$2,821 or 87% from the prior half year. Revenue comprises three key types of revenue:

	Half year ended 30 June 2025	Half year ended 30 June 2024	Increase/ (decrease)
Project revenues: comprising Licence fees, installation/integration and supply of wireless communications technology	4,705	2,185	115%
Support revenues	1,224	1,023	20%
Royalty revenues	150	50	200%
Total revenue	6,079	3,258	87%

The overall revenue increase is due to:

- **Increased level of project activity:** in the half year project revenues of \$4,705 were earned compared to \$2,185 for the pc, a 115% increase. Noting the nature of Etherstack's business means project revenues are typically driven by a small number of large contracts which can produce volatile revenues, depending upon project activity and deliveries, within a particular financial period.
- **In general the contract delays which impacted in 2024 did not recur in H1 2025**
 - 2025 revenues reflect the restructure of the supply chain to AT&T Services Inc. (AT&T) whereby Etherstack is now a direct supplier to AT&T. In the period and as part of the restructure, the company made a final delivery to Samsung. In the period the company announced two contract signings; a \$1.2 million contract followed by a second \$1.3 million contract.
 - In the period the company has supplied its technology to Rio Tinto projects in the Piblara with two further network deployments in the first half of the year. These deployments are the eighth and ninth deployments to this end user.
- **Support revenues:** for first half of FY2025 was up by \$201 or 20% to \$1,224 compared to \$1,023 for the first half of FY2024. The main reason for the increase was continuation of support services to Samsung Electronics America Inc. All other major support customers, predominantly Australian and US based infrastructure companies, from FY24 were retained in the current year.
- **Royalty revenues:** royalty revenues for the first half of FY2025 are \$150 compared to \$50 for pc. The increase resulted from increased sales achieved by licensed manufacturers.

DIRECTORS' REPORT Continued

EBITDA and Statutory Net profit/(loss) after tax

	30 June 2025	30 June 2024
Statutory Net profit/(loss) after tax	1,288	(1,486)
Add back:		
Depreciation (included within COGS)	23	-
Depreciation	187	221
Amortisation	910	1,010
Interest expense	112	96
Income tax	23	(18)
Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)	2,543	(177)

The key drivers of the result for the half year were:

- Increased revenues, as outlined above
- The increased gross margin of \$3,905 in H1 2025 vs \$1,075 H1 2024 is due to the combined effect of:
 - Increased revenues of \$2,821 as well as the sales mix influenced the gross margin. The increased proportion of support revenue leads to lower cost of sales.
 - Decrease in the non-cash amortisation cost included in Direct costs – the H1 2025 amortisation expense is \$910 compared to \$1,010 in the pcp. Some intellectual assets were fully amortised in the period and there were fewer new intellectual assets commenced amortisation during the period.
- Sales and Marketing costs of \$573 comparable to the pcp costs of \$652. There has not been any significant change in the sales and marketing programmes or activities.
- Administrative costs have increased over the prior period. The current half year expense is \$1,966 which is an increase of \$74 or 4%. The increase is primarily due to increases in salary costs, travel costs and professional fees.
- The net income tax credit arising from research & development incentives has decreased due to a decreased investment in our Intellectual Property assets, of \$1,209 in H1 vs \$1,364 in the pcp and changes to the incentive programmes which reduce the amount of this investment which is eligible for the incentives.

DIRECTORS' REPORT Continued

Cash flows

Operating cash flows: Operating cash inflows were \$3,378 for the half year which is an increase of \$2,509 relative to the pcg (\$869 inflow). This is due to increased revenues as well as the timing of collection of project cashflows which differs from revenue recognition where there are upfront payments or milestone payment plans. Receipts from customers in the half year were \$7,078 compared to \$4,575 in the pcg.

Investing cashflows: The Group has invested a further \$1,209 (H1 2024 \$1,364) into its suite of intellectual property assets to develop new assets and enhance existing assets as the major part of investing cashflows which totalled \$1,548. This is a increase of \$145 from the pcg.

Financing Cashflows: The key financing cash flows relate to:

- Repayment of loans of \$99; and
- lease payments connected to leasehold premises of \$126 (\$116 in the pcg)
- Interest paid on loan of \$82.

Rounding of amounts

Amounts in the Directors Report and the accompanying financial report have been rounded to the nearest thousand dollars, unless otherwise expressly stated.

Signed in accordance with a resolution of the directors



David Deacon, Director
19 August 2025

Independent review report to Etherstack plc

Conclusion

We have been engaged by the group to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with UK adopted IASs. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

In preparing the half-yearly financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of financial information

In reviewing the half-yearly report, we are responsible for expressing to the group a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of our report

Etherstack plc
Interim Report 2025

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement letter dated 24 July 2025. Our review has been undertaken so that we might state to the company's directors those matters we have agreed to state to them in a reviewer's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's directors as a body, for our work, for this report, or for the conclusions we have formed.

PKF Littlejohn LLP

PKF Littlejohn LLP
Statutory Auditor

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Canary Wharf
London E14 4HD

19 August 2025

**Consolidated Statement of Comprehensive Income
For the period ended 30 June 2025**

		Half year 30 June 2025 USD \$'000 (unaudited)	Half year 30 June 2024 USD \$'000 (unaudited)
Revenue from Contracts with Customers	Note		
Direct costs	8	6,079 (2,174)	3,258 (2,183)
Gross Profit		3,905	1,075
Other income		93	87
Sales and marketing costs		(573)	(652)
Other Administrative expenses		(1,966)	(1,892)
Net foreign exchange gains / (losses)		(36)	(26)
Operating profit / (loss) from continuing operations		1,423	(1,408)
Finance expense-borrowing costs		(112)	(96)
Net finance expense		(112)	(96)
<i>Profit / (Loss) before taxation</i>		1,311	(1,504)
Income tax (expense) / benefit		(23)	18
<i>Profit / (Loss) after taxation for the period attributable to the equity holders of the parent</i>		1,288	(1,486)
<i>Other comprehensive income/ (loss)</i>			
Items that may be classified subsequently to profit and loss:			
Exchange differences on translation of foreign operations		(149)	(2)
Total comprehensive income / (loss) for the period attributable to the equity holders of the parent		1,139	(1,488)
		Cents	Cents
Basic earnings / (loss) per share		0.97	(1.13)
Diluted earnings / (loss) per share		0.97	(1.13)

The results above relate to continuing operations.

**Consolidated Statement of Financial Position
As at 30 June 2025**

	Note	30 June 2025 USD \$'000 (unaudited)	31 December 2024 USD \$'000 (audited)
Current assets			
Cash and bank balances		1,671	136
Trade and other receivables		2,942	3,325
Inventories		305	237
		<u>4,918</u>	<u>3,698</u>
Non-current assets			
Property, plant and equipment		509	248
Trade and other receivables		-	412
Intangible assets	5	9,067	8,768
Right-of-use assets		760	627
		<u>10,336</u>	<u>10,055</u>
TOTAL ASSETS		<u>15,254</u>	<u>13,753</u>
Current liabilities			
Trade and other payables		1,575	1,658
Current tax liabilities		153	219
Employee entitlements		812	714
Unearned revenue		1,299	1,145
Lease liabilities		284	192
Borrowings		116	197
		<u>4,239</u>	<u>4,125</u>
Non-current liabilities			
Employee entitlements		55	40
Unearned revenue		402	352
Lease liabilities		482	475
Borrowings	6	2,454	2,443
		<u>3,393</u>	<u>3,310</u>
TOTAL LIABILITIES		<u>7,632</u>	<u>7,435</u>
NET ASSETS		<u>7,622</u>	<u>6,318</u>
Capital and reserves			
Share capital	7	752	752
Share premium account		16,042	16,042
Other Equity	6	84	84
Merger reserve		3,497	3,497
Share based payment reserve		1,101	936
Foreign currency translation reserve		(2,978)	(2,829)
Retained Earnings		(10,876)	(12,164)
TOTAL EQUITY		<u>7,622</u>	<u>6,318</u>

**Consolidated Statement of Changes in Equity
For the period ended 30 June 2025**

	Share Capital USD \$'000	Share Premium Account USD \$'000	Other Equity USD \$'000	Merger Reserve USD \$'000	Share Based Payment Reserve USD \$'000	Foreign Currency Translation Reserve USD \$'000	Retained Earnings USD \$'000	Total Equity USD \$'000
<i>For the half-year ended 30 June 2024</i>								
Balance at 1 January 2024	751	16,042	84	3,497	1,131	(2,898)	(8,780)	9,827
Issue of Share Capital	-	-	-	-	-	-	-	-
Share based payment charge	-	-	-	-	78	-	-	78
Unmarketable parcel Chess Depositary Interests buyback (Note 7)	-	-	-	-	-	-	(42)	(42)
Transactions with owners	-	-	-	-	78	-	(42)	36
Profit/(loss) for the period	-	-	-	-	-	-	(1,486)	(1,486)
Other comprehensive income for the period	-	-	-	-	-	(2)	-	(2)
Total comprehensive income for the period	-	-	-	-	-	(2)	(1,486)	(1,488)
Balance at 30 June 2024 (unaudited)	751	16,042	84	3,497	1,209	(2,900)	(10,308)	8,375
<i>For the half-year ended 30 June 2025</i>								
Balance at 1 January 2025	752	16,042	84	3,497	936	(2,829)	(12,164)	6,318
Issue of Share Capital	-	-	-	-	-	-	-	-
Share based payment charge	-	-	-	-	165	-	-	165
Transactions with owners	-	-	-	-	165	-	-	165
Profit/(loss) for the period	-	-	-	-	-	-	1,288	1,288
Other comprehensive income for the period	-	-	-	-	-	(149)	-	(149)
Total comprehensive income for the period	-	-	-	-	-	(149)	1,288	1,139
Balance at 30 June 2025 (unaudited)	752	16,042	84	3,497	1,101	(2,978)	(10,876)	7,622

Consolidated Statement of Cash Flows
For the period ended 30 June 2025

		Six months 30 June 2025 USD \$000 (unaudited)	Six months 30 June 2024 USD \$000 (unaudited)
	Note		
Cash flows from operating activities			
Receipts from customers		7,078	4,575
Payments to suppliers and employees		(3,820)	(3,594)
Interest paid		(38)	(102)
Government grants and tax incentives		264	-
Income tax (paid) / refunded		(106)	(10)
Net cash (used in)/generated from operating activities		3,378	869
Cash flow from Investing activities			
Additions to intangible assets	5	(1,209)	(1,364)
Payments for property, plant and equipment		(339)	(39)
Net cash flow (used in) investing activities		(1,548)	(1,403)
Cash flows Financing activities			
Payment for Cancellation pursuant to a minimum holding buy-back		-	(42)
Principal element of lease payments		(126)	(116)
Proceeds from borrowings		-	-
Repayments of borrowings		(99)	-
Interest paid		(82)	-
Net cash flow (used in) / generated by financing activities		(307)	(158)
Net increase/(decrease) in cash and cash equivalents		1,523	(692)
Effect of foreign exchange rate changes		12	(13)
Cash and cash equivalents at 1 January		136	2,061
Cash and cash equivalents at end of period		1,671	1,356

Notes to the Condensed Consolidated Financial Statements

1. General information

Etherstack plc ("the Company") is a public company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The registered office is Suite 12, The Blade, Abbey Square Reading, RG1 3BE, United Kingdom.

The condensed consolidated interim financial report of the Company as at and for the six months ended 30 June 2025 comprises the Company and its subsidiaries (together referred to as 'the Group'). The principal activities of the Group throughout the period were design, development, manufacturing and deployment of wireless communications software and hardware products. The principal activity of Etherstack plc (the "Company") is that of a holding company. These financial statements are presented in US\$ because the Group operates in international markets and the US\$ provides the most comparable currency for peer companies. All amounts are in USD and \$000 unless otherwise indicated.

2. Basis of preparation

The condensed consolidated interim financial report has been prepared in accordance with UK adopted IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2024.

This condensed consolidated interim financial report does not include all the information required for full financial statements prepared in accordance with International Financial Reporting Standards, (IFRS) as adopted by the UK and should be read in conjunction with the consolidated financial statements at 31 December 2024. The condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on 19 August 2025.

2.1 Financial reporting period

The interim financial information for the period from 1 January 2025 to 30 June 2025 is unaudited. In the opinion of the Directors, the interim financial information for the period presents fairly the financial position, and results from operations and cash flows for the period in accordance with IAS 34. The accounts incorporate comparative figures for the interim period 1 January 2024 to 30 June 2024 and the audited financial year to 31 December 2024. The financial information contained in this interim report does not constitute statutory accounts as defined by section 435 of the Companies Act 2006.

The comparatives for the full year ended 31 December 2024 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified.

2.2 Going concern

The Directors have prepared cash flow forecasts in order to assess going concern. In addition, the Directors have undertaken sensitivity testing of the forecasts including consideration of changes to the amount and timing of receipt of cashflows. The Directors have also considered the mitigating actions and alternative sources of funding that could be taken in the event there are significant delays in the receipt of these forecasted cashflows. The scenarios considered include a scenario where key contract signings are excluded or delayed by up to six months, however this scenario, is considered unlikely.

Based on existing cash resources, and current and forecasted performance, including consideration of the impacts of macroeconomic uncertainties relevant to the key markets in which Etherstack operates, and a range of mitigating actions that are available, the Directors reasonably expect there to continue to be sufficient cash resources to be able to pay liabilities as they fall due for at least 12 months from the date of approval of these financial statements. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the Condensed Consolidated Financial Statements

3. Judgements and estimates

The preparation of these condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2024.

4. Material accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2024.

5. Intangible assets

Intangible assets comprise costs incurred on the development of specific products that meet the criteria set out in IAS 38 Intangible Assets. The amortisation period for development costs incurred on the Group's intellectual property developments is over the useful life estimate of 3 to 6 years. Amortisation does not take place until the asset is completed. Included in capitalised development costs are costs of \$1,472 (31 December 2024 costs of \$2,423) for intangible assets which are not yet complete and hence there is no amortisation charge on these developments. At balance date the Group reviewed the carrying value of intangible assets to determine whether any impairment indicators exist. The outcome of the review was that no impairment indicators exist.

Engineering software is amortised over its expected useful life of 5 years.

	Capitalisation of development costs USD '\$'000	Engineering software USD '\$'000	Total USD '\$'000
Cost:			
At 1 January 2024	30,007	842	30,849
Additions	1,317	47	1,364
At 30 June 2024	31,324	889	32,213
At 1 January 2025	32,538	917	33,455
Additions	1,166	43	1,209
At 30 June 2025	33,704	960	34,664
Accumulated amortisation			
At 1 January 2024	22,075	618	22,693
Charge for the period	948	62	1,010
At 30 June 2024	23,023	680	23,703
At 1 January 2025	23,981	706	24,687
Charge for the period	885	25	910
At 30 June 2025	24,866	731	25,597

Notes to the Condensed Consolidated Financial Statements

Carrying amount			
At 30 June 2025	8,838	229	9,067
At 31 December 2024	8,557	211	8,768

6. Borrowings

	Half year ended 30 June 2025 USD \$000	Year ended 31 December 2024 Audited USD \$000
Current		
Borrowings at amortised cost (Note a)	116	197
Non-current		
Borrowings at amortised cost (Note b)	2,454	2,443
	2,570	2,640

a) Related party short term borrowings

Borrowing from directors. Key terms are as follows:

- Unsecured;
- 6% interest payable; and
- repayable on demand or at Etherstack's option.

b) Borrowings

Borrowings represent a funding agreement which commenced on 29 June 2023. Key terms are as follows:

- Principal is USD 2,500;
- Unsecured;
- 6.5% interest payable quarterly in arrears;
- Maturity date is 29 June 2027;
- Associated option agreement allows the lender, at any time prior to maturity, to exercise the option for the issue of 6,491,228 fully paid ordinary Etherstack plc shares in full settlement of the debt; and
- Etherstack may repay the debt in full at any time prior to maturity on 30 days written notice to the lender.

The initial fair value of the liability portion of the borrowings was determined using a market interest rate for an equivalent non-convertible borrowing at the issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity. The remainder of the proceeds is allocated to the conversion option and recognised in shareholders' equity and not subsequently remeasured.

The amount shown as Other Equity of \$84 is the value of the conversion rights relating to the borrowing (Note b) detailed above.

Notes to the Condensed Consolidated Financial Statements

7. Issued Capital

	Half year ended 30 June 2025	Year ended 31 December 2024 Audited
	USD \$000	USD \$000
Issued, allotted and fully paid 132,172,002 (31 December 2024; 132,162,002) ordinary shares of 0.4p each	752	752

During the half year, there was 10,000 shares issued.

- On 17 February 2025, 10,000 fully paid ordinary shares were issued as a result of the exercise of performance rights.

In 2024, the company conducted a unmarketable parcel buyback. Under the ASX Listing Rules, any holding valued at less than AUD\$500.00 is considered to be an “unmarketable parcel”. Under the buyback the Company bought back 293,118 Chess Depositary Interests (CDIs) from 211 holders for total proceeds of \$42. These CDIs were subsequently placed with independent investors for the same consideration. As a consequence, there is no change in issued share capital.

8. Revenue

	Half year ended 30 June 2025	Half year ended 30 June 2024
Project revenues: comprising Licence fees, installation/integration and supply of wireless communications technology	4,705	2,185
Support Revenue	1,224	1,023
Royalty Revenue	150	50
Total revenue	6,079	3,258

9. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in these financial statements.

David Deacon is a director of the company. During the half year:

- A short-term loan of \$Nil (31 December 2024 \$45) was advanced
- Interest of \$1 (31 December 2024 \$Nil) was accrued and \$2 (31 December 2024 \$Nil) was repaid
- Repayments of \$45 (31 December 2024 \$Nil) were made by the company

At 30 June 2025, \$156 (31 December 2024 \$201) is owing to David Deacon.

Notes to the Condensed Consolidated Financial Statements

The amount due being represented by:

- \$156 unsecured deferred wages and expenses, not subject to specific repayment terms and interest free

Peter Stephens is a director of the company. During the half year:

- A short-term loan of \$Nil (31 December 2024 \$126) was advanced and \$53 (31 December 2024 \$Nil) was repaid.
- Interest of \$4 (31 December 2024 \$1) was accrued on short-term loan and \$Nil (31 December 2024 \$Nil) was repaid
- Repayments of \$Nil (31 December 2024 \$17) deferred wages and expenses were made by the company

At 30 June 2025, \$153 is owing to Peter Stephens (31 December 2024 \$192).

The amount due being represented by:

- \$66 unsecured deferred wages and expenses, not subject to specific repayment terms and interest free and;
- \$87 short-term loan is unsecured, not subject to specific repayment terms and bears interest is at 6% pa

Paul Barnes is a director of the company. During the half year:

- A short-term loan of \$Nil (31 December 2024 \$25) was advanced.
- Interest of \$1 (31 December 2024 \$Nil) was accrued on the short-term loan
- Repayments of \$Nil (31 December 2024 \$67) unsecured deferred wages and expenses were made by the company

At 30 June 2025, \$29 (31 December 2024 \$26) is owing to Paul Barnes.

The amount due being represented by:

- \$1 unsecured deferred wages and expenses, not subject to specific repayment terms and interest free and;
- \$28 short-term loan is unsecured, not subject to specific repayment terms and bears interest is at 6% pa

10. Subsequent events

On 11 August 2025 it was announced the Group has entered into a Master Supply Agreement (MSA) with AT&T Services Inc for the provision of Etherstack's telecommunications solutions and services related to Mission Critical Push-to-Talk ("MCPTT") technologies, notably Etherstack's LMR-IWF ("InterWorking Function") product and other associated elements and services. The Initial Term of the MSA is 7 years. During FY2025 (ending 31st December 2025), Etherstack management expects the contract to contribute approximately \$4m to the current year's revenues, of which \$2.37m is included in the first half ending 30th June, 2025.

Directors Declaration

In the opinion of the Directors:

- (a) The interim financial statements and notes of Etherstack plc and its subsidiaries (the Group) set out on pages 9 to 17 are in accordance with the Corporations Act 2001, and:
 - (i) comply with International Accounting Standard IAS 34 Interim Financial Reporting as adopted by the UK and the Corporations Regulations 2001;
 - (ii) give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the six months ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.



David Deacon
Director

19 August 2025

Corporate Information

Company Registration No. 07951056

ARBN 156 640 532

Directors

Peter Stephens (Non-Executive Chairman)
David Deacon (Executive Director and Chief Executive Officer)
Paul Barnes FCCA (Non-Executive Director)
Scott W. Minehane (Non-Executive Director)

Company Secretaries

Paul Barnes FCCA (United Kingdom)
David Carter (Australia)

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