Etherstack plc
64 Rose Street
Chippendale, NSW 2008
Australia
P: +61 2 8399-7500

For personal use only

5th October 2026

ASX Announcement

Etherstack plc
("Etherstack" or the "Company")

Strategic and Capital Management Review – Initial Outcome

Further to the Company's announcement of 13 July 2026, the Board has completed its initial review of the Company's strategic and capital management framework.

Following the review, the Board has determined that it is now appropriate to proceed with a reorganisation of the Company's Share Premium Account to create distributable reserves. The proposed reorganisation will be implemented by way of a capital reduction through the cancellation of amounts standing to the credit of the Company's share premium account, with the resulting amount being transferred to a new distributable reserve account, subject to completion of the applicable legal and regulatory processes.

The proposed capital reorganisation will not involve any reduction in the number of ordinary shares or any accompanying certificated depositary interests in issue or any immediate distribution or repayment of capital to shareholders and will not result in any change to the Company's net asset position.

Rather, it is intended to provide the Company with greater flexibility in the management of its capital and the consideration of future distributions and other capital management initiatives.

Implementation of the proposed reorganisation will require shareholder approval at a forthcoming General Meeting of the Company, together with completion of the applicable legal and regulatory processes including UK Court approval. The Company will convene a General Meeting for this purpose and will provide shareholders with further details of the proposed reorganisation, the required resolutions and an indicative timetable in the Notice of Meeting and accompanying materials.

Following completion of the process, the Company will have greater flexibility to consider a range of future capital management initiatives which may include the potential payment of dividends and/or share buy-backs.

The Board intends to assess these and other options following release of the Company's FY2026 full-year results (31 Dec year end), having regard to the Company's financial position, available cash resources, growth opportunities and capital requirements at that time.

The Board will also continue to evaluate wider strategic opportunities that may enhance shareholder value as the Company continues to grow and develop.

The Board remains focused on maintaining an appropriate balance between investment in the Company's growth opportunities, the consideration of wider strategic opportunities, and the possible return of surplus capital to shareholders, with the objective of maximising long-term shareholder value.

Authorised for release by Adam Hoey, Chief Financial Officer and Company Secretary

Enquiries

Etherstack
Adam Hoey, Chief Financial Officer
T: +61 2 8399 7500
www.etherstack.com

Investor Relations:
Melanie Singh
T: +61 439 748 819
melanie@nwrcommunications.com.au

For personal use only

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 offices and R&D facilities in London, Sydney, New York, Annapolis and Yokohama.

For more information

Follow us on LinkedIn

Visit our website: www.etherstack.com

Subscribe to our mailing list to receive updates