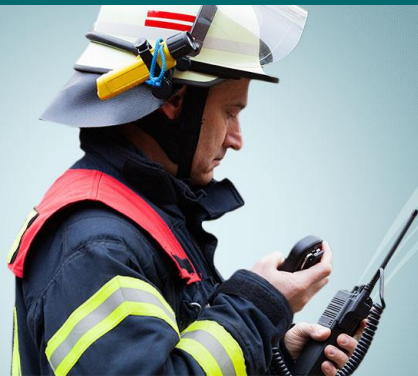




CEO presentation to AGM

Etherstack plc (ASX:ESK)

June 2018



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2017, 2018 & Beyond

Presentation Overview

🔗 **2017 Results:** Positive EBITDA, Costs Controlled

🔗 **2018 Report:** New Defence Clients, New Products Launched

🔗 **2019 Vision:** The Future of Mission Critical Communications

Etherstack has supplied over A\$100m globally in equipment and professional services in the past 10 years



2017 Highlights

Continued Consolidation

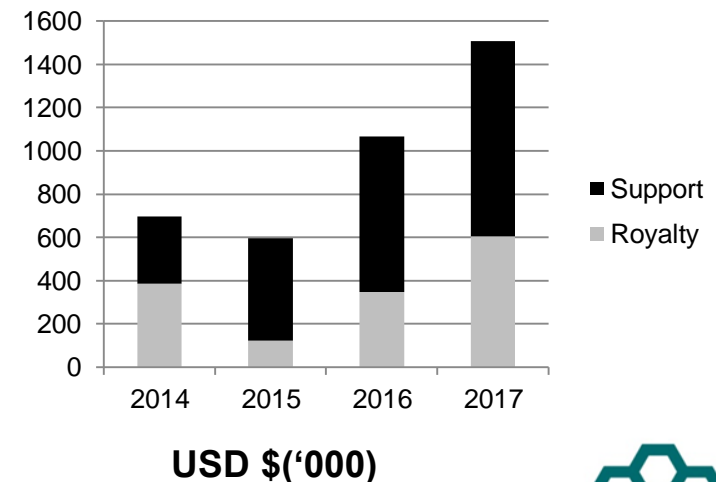
⚙️ Revenue temporarily decreased to US\$4.2m (vs US\$6.1m 2016) predominantly due to timing of contract/project recognition

⚙️ Positive EBITDA US\$92k (vs US\$638k) despite reduced revenue

⚙️ Net loss after tax (\$1.5m) including non-cash amortisation charge of over \$2.0 m. This charge is forecast to be significantly smaller in 2018.

⚙️ Recurring revenues from support and royalties continued to grow substantially

⚙️ Long term network support revenues typically have 10-15 year life spans and compound as Etherstack deploys more networks



2017 Highlights

2017 Wins Across All Segments

🔗 Utilities: Substantial upgrades to existing electric utility client base in Canada, US and Australia

🔗 Defence: Selection of SFFR-6 and IVX products for UK industry showcase at DSEI 2017

🔗 Government: First Australian 7-figure order outside utility sector

🔗 Support: 25% increase in value of long term support contracts as more deployed networks become live


🔗 Innovation: Initial orders of IVX Push-to-talk over Satellite product





*SFFR-6 Tactical Repeater
aka the "Go Box"*


2018: Building on 2017 Results

Diverse Revenue Mix

 **Equipment Sales:** High margin mission critical radio network equipment sales from ever increasing customer base of emergency services, policing agencies and electric utility customers. New products such as IVX contributing to revenue growth


 **Support Revenues:** Long term support contracts from government and utility clients. Cumulative effect as each new network sale adds long term support revenue


 **Royalties:** Continued revenue streams from legacy technology licensing deals and new technology licensing deals from brand name equipment manufacturers


 **New Products:** Substantial orders received from policing and defence clients for new products

2018: High Growth Products Gain Traction

Traditional Revenues, High Growth & Vision

 **Traditional Business:** Etherstack continues to enjoy growth in deployed P25 networks providing new equipment sales and long term recurring support royalties

 **High Growth Focus:** The company is receiving substantial new and repeat orders for the SFFR-6 P25 Tactical Repeater product as well as the recently released IVX product. The IVX V2 was “soft released” in late 2017 with immediate orders. The next model (V3) will be released in early Q3 2018 and the company has substantial pre-release demand for the new version

 **Vision:** Etherstack continues to invest heavily in R&D allowing us to remain at the forefront of mission critical radio communications technology. We are currently investing heavily in our tactical communications line to augment our traditional fixed network and technology licensing businesses

2019 Vision: Mission Critical Comms

Innovation and Investment in R&D

🔗 Etherstack is a trusted technology brand known within our market segment, proven by A\$100m in global earnings in the past decade and the household names of our customers

🔗 As 4G cellular networks become ubiquitous and advances in satellite communications technologies are made, Etherstack is well placed to capitalise on the shift in technologies and the application of these to our market area with innovative communications products for public safety professionals, utilities and defence clients

🔗 The company is currently undertaking development of new military waveform technology for the defence industry as well as reimagining the form factor and functionality of highly specialised communications devices



*IVX V3.0
P25 PTT over Satellite*

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