



etherstack
wireless innovation

30 June 2025 Half year results Investor presentation

Etherstack plc (ASX:ESK)
20 August 2025



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

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Our Three Core Markets



Mission Critical PTT Technology and Solutions

Digital Land Mobile Radio (LMR) networks



Digital wireless terrestrial communication networks, technology licensing to equipment vendors, cryptographic and defence solutions

- Increasing number of network deployments
- SaaS-like high margins
- Long term support contracts driving recurring revenues

Mission Critical Push to Talk (MCPTX) over cellular networks (4G & 5G)



Mission Critical Push to Talk (MCPTX) over LTE for new 4G & 5G networks

- SaaS-like high gross margin revenues
- Global Partnership with Samsung
- Supplier to FirstNet, Built by AT&T

Satellite Push to Talk (PTT) and Defence Systems



Developing secure wireless communications software for Satellite over past 5 years

- Opportunity to incorporate Etherstack technology into satellite communication suppliers
- Significant Defence projects underway

Able to leverage skillset, R&D and intellectual property developed over 25+ years to enable wireless communications for customers within and across key platforms in the essential communications sector

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 (USA)

3 Core Businesses (diversified revenue mix)

- Digital radio networks for first responders, essential services, resource sector and security/defence organisations – **high margin system sales** and **support revenues**
- **Defence**, and technology licensing of R&D keeps our own products fresh and generates additional **royalties revenue**
- New high growth **MCX IWF** cellular network technology to bridge **4G/5G** networks with existing government digital radio networks
- All three businesses performing well





Financial & Business highlights H1 2025

Financial highlights H1 2025 (USD\$)

Revenue



87%



Half year Revenue up 87% on pcp
to USD \$6.1m

Record H1



Record half year
revenue in 2025 exceeds
full year revenue for
2024

EBITDA



42%

EBITDA USD \$2.543m up 1537%
on pcp

Support KPI

up 20%



Recurring half year support
revenues USD \$1.224m up 20%
on pcp

Record Deal

USD\$20m+



7+ year AT&T
contract signed

NPAT

21%

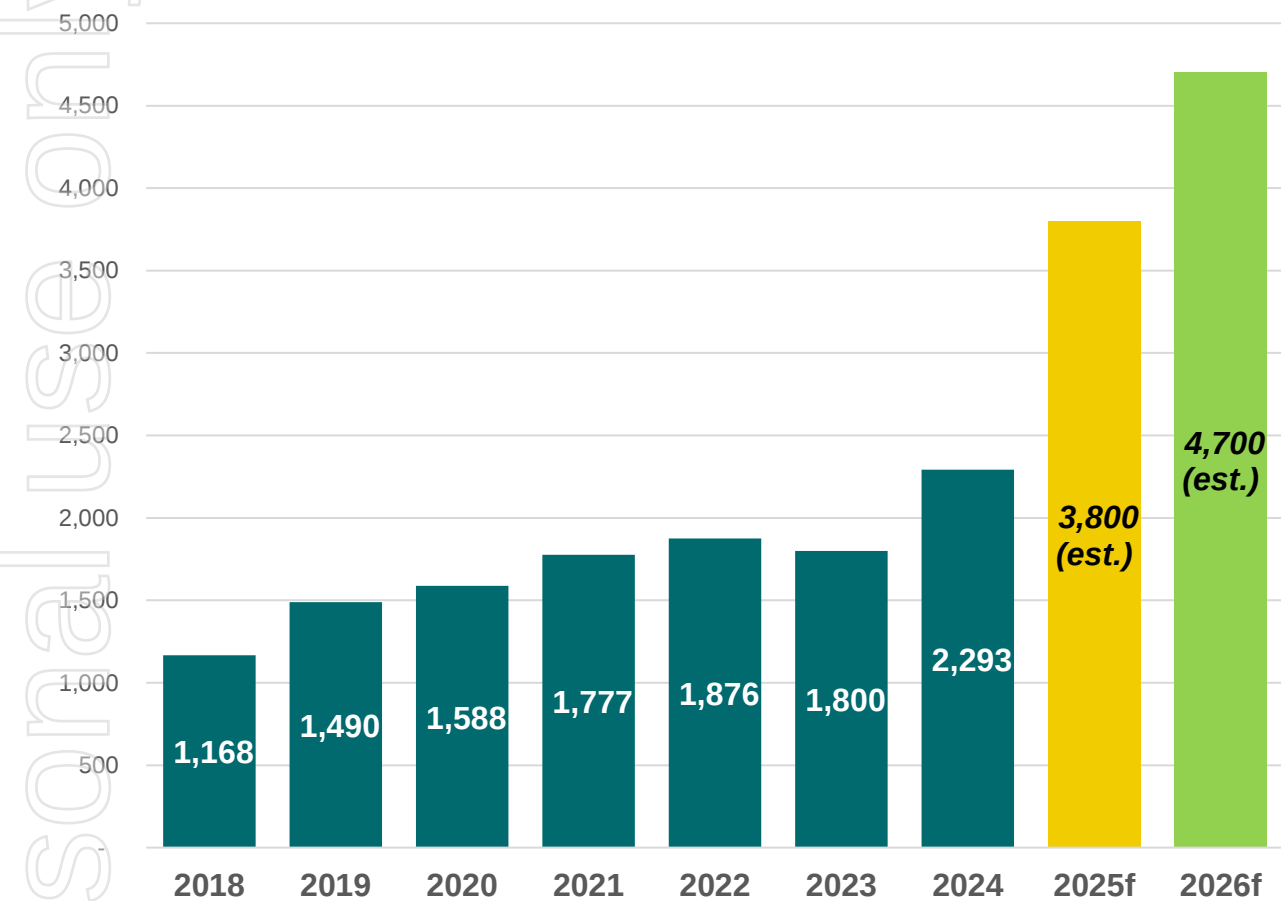


NPAT USD \$1.288m up 187% on pcp

Recurring revenues sustained upward trend

- The AT&T Master Service Agreement contract signing supports the recurring revenue forecasts made previously.

Revised Recurring Revenue Support & CaaS (USD\$'000)



Key forecast assumptions/comments

- Recurring revenue comprising Support revenues derived from supporting the networks installed. Etherstack currently enjoys high retention rates. The forecast assumes the historic retention rates are maintained but does not include support revenues from networks not already deployed.
- Communications As A Service (CAAS) are a new recurring revenue steam derived from the AT&T contract announced on 11 August 2025. The forecast is based on the expected project deployment dates. Deployment delays may defer the expected 2025 or 2026 revenues into future periods.

ARR
US\$4.5m+
Annual Recurring Revenues (ARR)
Growing Rapidly

Largest Sources of Revenues (past 3 years, including current)

By Clients & Category

- 1. AT&T** One of the world's largest telcos. Project and new CaaS revenues
- 2. Samsung** World's largest electronics companies, technology licensing and support revenues
- 3. Electric Utilities** Australian, Canadian & US electric utilities. High margin equipment and software sales and 10-15+ year support tails
- 4. Rio Tinto** One of the world's largest miners. High margin equipment and software sales and 10-15+ year support tails
- 5. Governments** Defence, State and Federal public safety agencies in Americas, UK and Australia
- 6. Industry Partners** Zetron (owned by Codan), North American public safety projects

Sector and Geographic Diversity, with “highly sticky” long term recurring support revenues. Growing consistently

Income Statement

US\$'000	H1 2025	H1 2024
Revenue from Contract with Customers	6,079	3,258
Recurring support and Royalty revenue	1,374	1,073
Project and Product Revenues	4,705	2,185
% Recurring Revenue to Total Revenue	23%	33%
Cost of Sales	2,174	2,183
Gross Profit	3,905	1,075
Gross Margin	64%	33%
Other Income	93	87
Other Overheads	(2,575)	(2,570)
Finance costs	(112)	(96)
Profit / (Loss) before tax	1,311	(1,504)
Income tax (expense) / benefit	(23)	18
Profit / (Loss) after tax	1,288	(1,486)

Key changes

- Project revenue up sharply on pcp underpinned by AT&T contract
- Recurring revenues – \$ increased strongly over pcp. % is likely to trend upwards once AT&T project milestones complete
- Gross profit increased due to sales increase across all lines of business. Note 1
- Other overheads broadly flat to pcp reflecting tight cost control
- Increasing CaaS component supported Gross Margin increase during the period
- EBITDA Margin 42%
- NPAT Margin 21%

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.

Balance Sheet & Cash Flow Statement

Balance Sheet

US\$'000	30-Jun-25	31-Dec-24
Cash and cash equivalents	1,671	136
Trade and other receivables	2,942	3,325
Other current assets	305	237
Intangibles	9,067	8,768
Other non-current assets	1,269	1,287
Total assets	15,254	13,753
Trade and other payables	1,575	1,658
Unearned revenue	1,701	1,497
Other liabilities	1,786	1,640
Borrowings	2,570	2,640
Total liabilities	7,632	7,435
Net assets	7,622	6,318

Cash Flow Statement

US\$'000	Half year 2025	Half year 2024
Net cash generated / (used in) operating activities	3,378	869
Net cash flow (used in) investing activities	(1,548)	(1,403)
Net cash flow (used in) financing activities	(307)	(158)
Net increase/(decrease) in cash	1,523	(692)
Effect of foreign exchange rate changes	12	(13)
Cash and cash equivalents at start of period	136	2,061
Cash at end of period	1,671	1,356

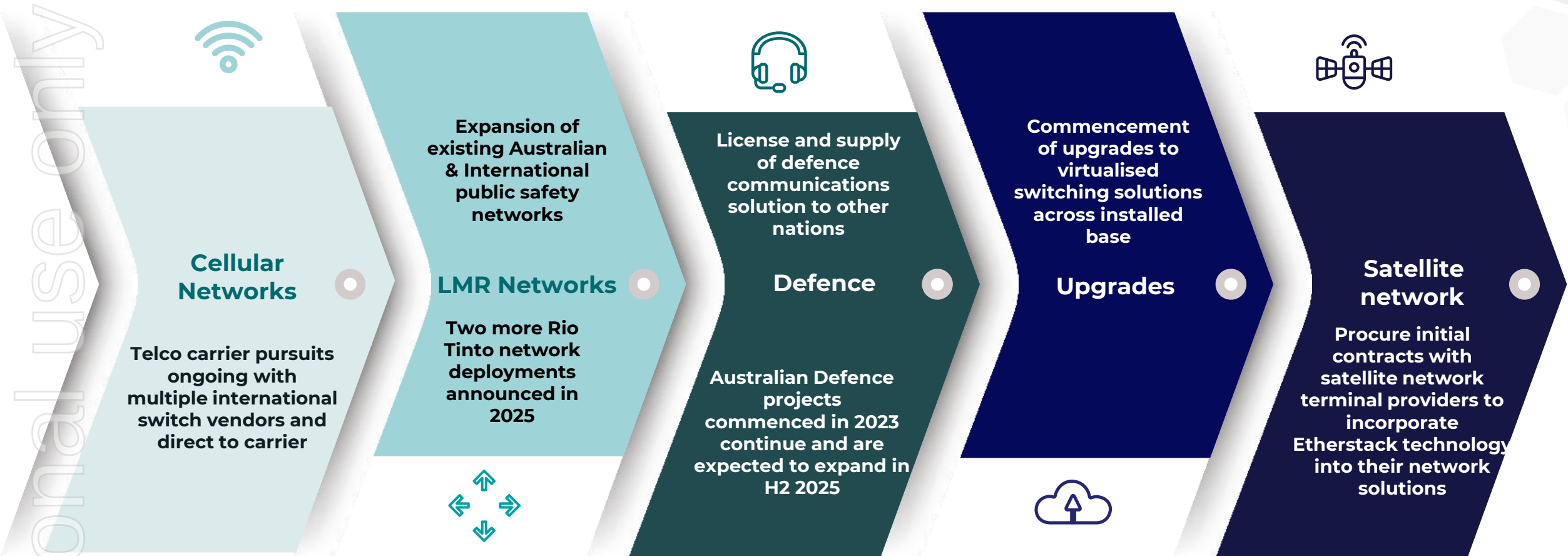
Strong balance sheet position, providing a foundation to invest in growth

Prudent balancing of working capital reserves and continued investment

Strong cash position at 30 June 2025 following several large projects during the period

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

Strong outlook driven by focus on key strategic initiatives



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Questions

Appendix 1: 11 August 2025 Announcement

Key Points

- Seven year deal plus optional extensions with **AT&T Services Inc.**
- AT&T are one of the world's largest telcos and company by revenue
- Minimum contribution per annum **US\$2.5m** (~A\$3.8m p/a)
- Additional revenues from subscriber additions and ad-hoc service revenues throughout life of project
- Successful beta pilot already completed
- Contracted AT&T revenues so far this **FY2025**, close to **US\$4m**

Our IWF Solution

- 3GPP Compliant MCPTT LMR **IWF** (InterWorking Function)
- US Data Centre deployed solution to bridge existing digital land mobile radio networks for first responders to next generation 4G & 5G MCPTT solutions such as FirstNet, Built by AT&T
- CaaS revenue model





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