etherstack
wireless innovation

19 August 2026

ASX Announcement

ETHERSTACK PLC

("Etherstack" or the "Company")

RESULTS FOR THE HALF YEAR 30 JUNE 2026

Highlights

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

- **Revenue:** Revenue increased 40% from $6,079 to $8,498 driven by further increases in support revenues and strong project revenues. Revenue for first half (H1) 2026 is a record and represents over 80% of FY25 revenue which was itself a full year record. Management looks forward to delivering strong results for 2026 leveraging the strong start delivered in H1.
- **EBITDA:** half year EBITDA is $2,055 down 19% from a $2,543 in the prior corresponding period (pcp)
- **Operating Cashflow:** the Group had cash receipts of $6,376 in the half year, compared to $7,078 for the prior corresponding period, and had a positive operating cashflow of $792
- **Statutory net profit/(loss) after tax:** Statutory net profit after tax is $432 a decrease from $1,288 profit for the pcp
- **Outlook:** management expects a strong second half, relative to both H2 FY25, and H1 FY26 as milestones for contracted projects are delivered.
- **Significant progress made on major projects:** During the period the Group moved into the support phase with AT&T with any additional project work to fall outside of the original contract. The first two major Milestones for the UK Home Office were signed off by the customer during the half with two more to come in the second half.
- **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
  - Recurring revenues continue to grow strongly to their highest ever level
  - Continued to pursue and develop opportunities within the defence sector in Australia and the UK and expect to be awarded further projects during H2
  - Continued upgrades to existing state and federal government digital radio networks within the public safety sector in Australia, and the Americas.

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 Adam Hoey, 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 2026

ARBN 156 640 532	**Previous Corresponding Period: Half Year ended on 30 June 2025**

Results for Announcement to the market				**USD$'000**
Revenue from ordinary activities	increased	40%	to	8,498
EBITDA[1]	decreased	19%	to	2,055
Profit from ordinary activities after tax attributable to members	decreased	67%	to	432
Net Profit attributable to members	decreased	67%	to	432

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 2025: $nil) and the Directors do not recommend any dividend be paid.

Net tangible assets per share	**30 June 2026 US cents**	**30 June 2025 US cents**
Net tangible assets per share	(1.1)	(1.7)

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 2026 dated 19 August 2026, 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 2026

Etherstack plc AND CONTROLLED ENTITIES

ARBN 156 640 532

INTERIM CONDENSED FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2026

etherstack
wireless innovation

CONTENTS

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 2026. 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

2026 First Half Highlights

- Revenue is up 40% to $8,498
- Revenue increased 40% from $6,079 to $8,498 driven by further increases in support revenues and strong project revenues. Revenue for first half (H1) 2026 is a record and represents over 80% of FY25 revenue which was itself a full year record. Management looks forward to delivering strong results for 2026 leveraging the strong start delivered in H1.
- **EBITDA:** half year EBITDA is $2,055 down, 19% from a profit of $2,543 in the pcp
- **Operating Cashflow:** the Group had cash receipts of $6,376 in the half year, compared to $7,078 for the prior corresponding period, and had a positive operating cashflow of $792
- **Statutory net profit/(loss) after tax:** Statutory net profit after tax is $432 a decrease from $1,288 profit for the pcp
- **Outlook:** management expects a strong second half, relative to both H2 FY25, and H1 FY26 as milestones for contracted projects are delivered
- **Significant progress made on major projects:** During the period the Group moved into the support phase with AT&T with any additional project work to fall outside of the original contract. The first two major Milestones for the UK Home Office were signed off by the customer during the half with two more to come in the second half.
- **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
    - Recurring revenues continue to grow strongly to their highest ever level
    - Continued to pursue and develop opportunities within the defence sector in Australia and the UK and expect to be awarded further projects during H2
    - Continued upgrades to existing state and federal government digital radio networks within the public safety sector in Australia, and the Americas

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 $8,498 which is an increase of $2,419 or 40% from the prior half year. Revenue comprises three key types of revenue:

	Half year ended 30 June 2026	Half year ended 30 June 2025	Increase/ (decrease)
Project revenues: comprising Licence fees, installation/integration and supply of wireless communications technology	5,803	4,705	23%
Support revenues	2,695	1,224	120%
Royalty revenues	-	150	(100%)
Total revenue	**8,498**	**6,079**	**40%**

The overall revenue increase is due to:

- **Increased level of project activity:** in the half year project revenues of $5,803 were earned compared to $4,705 for the pcp, a 23% 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 H1 2026 Etherstack built on the momentum from FY25:**

    - 2026 revenues include revenue from first two major milestones for the UK Home Office project.

    - Support revenue from new Department of Home Affairs contract commenced during the Half year

    - Department of Defence Australia project on track with all targets within the period met

- **Support revenues:** for first half of FY2026 was up by $1,471 or 120% to $2,695 compared to $1,224 for the first half of FY2025. The main reason for the increase was AT&T moving into the support phase. All other major support customers, predominantly Australian and US based infrastructure companies, from FY25 were retained in the current year.

DIRECTORS' REPORT Continued

EBITDA and Statutory Net profit after tax

	30 June 2026	30 June 2025
Statutory Net profit after tax	432	1,288
Add back:		
Depreciation (included within COGS)	246	23
Depreciation	222	187
Amortisation	1,043	910
Interest expense	132	112
Income tax	(20)	23
Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)	2,055	2,543

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

- Increased revenues, as outlined above
- The decreased gross margin of $3,755 in H1 2026 vs $3,905 H1 2025 is due to the combined effect of:
    - Front loaded direct project costs to ramp up major projects particularly UK Home Office were incurred in H1 2026. These are expected to abate in H2 FY26.
    - Increase in the non-cash depreciation and amortisation cost included in Direct costs – the H1 2025 depreciation expense did not include data centre related costs as there were not commissioned at that time. New intellectual assets commenced amortisation during the period.
- Sales and Marketing costs of $744 up compared to the pcp costs of $573. Reflects the greater effort to market the company on the back of large project wins in North America and the UK.

- Administrative costs have increased over the prior period. The current half year expense is $2,561 which is an increase of $595 or 30%. The increase is primarily due to increases in salary costs, travel costs and professional fees.

DIRECTORS' REPORT Continued

Cash flows

Operating cash flows: Operating cash inflows were $792 for the half year which is a decrease of $2,586 relative to the pcp ($3,378 inflow). This is due to 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 $6,376 compared to $7,078 in the pcp.

Investing cashflows: The Group has invested a further $1,805 (H1 2025 $1,209) into its suite of intellectual property assets to develop new assets and enhance existing assets as the major part of investing cashflows which totalled $2,113. This is an increase of $565 from the pcp.

Financing Cashflows: The key financing cash flows relate to:

- lease payments connected to leasehold premises of $176 ($126 in the pcp); and
- Interest paid on loan of $81.

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 2026

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 2026 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 2026 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 the 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

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement letter dated 15 July 2026. 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 30 Churchill Place

Statutory Auditor London

E14 5RE

19 August 2026

Consolidated Statement of Comprehensive Income
For the period ended 30 June 2026

	Note	Half year 30 June 2026 USD $'000 (unaudited)	Half year 30 June 2025 USD $'000 (unaudited)
Revenue from Contracts with Customers	8	8,498	6,079
Direct costs		(4,743)	(2,174)
Gross Profit		**3,755**	**3,905**
Other income		153	93
Sales and marketing costs		(744)	(573)
Other Administrative expenses		(2,561)	(1,966)
Net foreign exchange (losses) / gains		(59)	(36)
Operating profit from continuing operations		544	1,423
Finance expense-borrowing costs		(132)	(112)
Net finance expense		(132)	(112)
Profit before taxation		412	1,311
Income tax benefit / (expense)		20	(23)
Profit after taxation for the period attributable to the equity holders of the parent		432	1,288
Other comprehensive income/ (loss)			
Items that may be classified subsequently to profit and loss:			
Exchange differences on translation of foreign operations		(32)	(149)
Total comprehensive income for the period attributable to the equity holders of the parent		400	1,139
		Cents	Cents
Basic earnings per share		0.31	0.97
Diluted earnings per share		0.30	0.97

The results above relate to continuing operations.

Consolidated Statement of Financial Position
As at 30 June 2026

	Note	30 June 2026 USD $'000 (unaudited)	31 December 2025 USD $'000 (audited)
Current assets			
Cash and bank balances		749	2,259
Trade and other receivables		4,547	2,471
Inventories		448	203
		5,744	4,933
Non-current assets			
Property, plant and equipment		1,308	1,285
Trade and other receivables		-	212
Intangible assets	5	10,203	9,441
Right-of-use assets		876	610
		12,387	11,548
TOTAL ASSETS		**18,131**	**16,481**
Current liabilities			
Trade and other payables		2,451	1,227
Current tax liabilities		171	166
Employee entitlements		880	878
Unearned revenue		1,055	1,484
Lease liabilities		338	295
Borrowings	6	2,476	-
		7,371	4,050
Non-current liabilities			
Employee entitlements		88	69
Unearned revenue		536	432
Lease liabilities		570	366
Borrowings	6	-	2,465
		1,194	3,332
TOTAL LIABILITIES		**8,565**	**7,382**
NET ASSETS		**9,566**	**9,099**
Capital and reserves			
Share capital	7	802	802
Share premium account		19,398	19,398
Other Equity	6	84	84
Merger reserve		3,497	3,497
Share based payment reserve		1,232	1,175
Foreign currency translation reserve		(3,025)	(2,993)
Retained Earnings		(12,422)	(12,864)
TOTAL EQUITY		**9,566**	**9,099**

Consolidated Statement of Changes in Equity
For the period ended 30 June 2026

	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
For the half-year ended 30 June 2025								
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 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**
For the half-year ended 30 June 2025								
Balance at 1 January 2026	802	19,398	84	3,497	1,175	(2,993)	(12,854)	9,109
Issue of Share Capital	-	-	-	-	-	-	-	-
Share based payment charge	-	-	-	-	57	-	-	57
Transactions with owners	**-**	**-**	**-**	**-**	**57**	**-**	**-**	**57**
Profit for the period	-	-	-	-	-	-	432	432
Other comprehensive income for the period	-	-	-	-	-	(32)	-	(32)
Total comprehensive income for the period	-	-		-	-	(32)	432	400
Balance at 30 June 2026 (unaudited)	**802**	**19,398**	**84**	**3,497**	**1,232**	**(3,025)**	**(12,422)**	**9,566**

Consolidated Statement of Cash Flows
For the period ended 30 June 2026

	Note	Six months 30 June 2026 USD $000 (unaudited)	Six months 30 June 2025 USD $000 (unaudited)
Cash flows from operating activities			
Receipts from customers		6,376	7,078
Payments to suppliers and employees		(5,542)	(3,820)
Interest paid		(59)	(38)
Government grants and tax incentives		15	264
Income tax refunded / (paid)		2	(106)
Net cash generated from operating activities		792	3,378
Cash flow from Investing activities			
Additions to intangible assets	5	(1,805)	(1,209)
Payments for property, plant and equipment		(308)	(339)
Net cash flow (used in) investing activities		**(2,113)**	**(1,548)**
Cash flows Financing activities			
Payment for Cancellation pursuant to a minimum holding buy-back		-	-
Principal element of lease payments		(176)	(126)
Proceeds from borrowings			
Repayments of borrowings		-	(99)
Interest paid		(81)	(82)
Net cash flow (used in) by financing activities		**(257)**	**(307)**
Net (decrease) / increase in cash and cash equivalents		**(1,578)**	**1,523**
Effect of foreign exchange rate changes		68	12
Cash and cash equivalents at 1 January		2,259	136
Cash and cash equivalents at end of period		749	1,671

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 2026 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 2025.

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 2025. The condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on 19 August 2026.

2.1 Financial reporting period

The interim financial information for the period from 1 January 2026 to 30 June 2026 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 2025 to 30 June 2025 and the audited financial year to 31 December 2025. 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 2025 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 2025.

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 2025.

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 $4,189 (31 December 2025 costs of $2,683) 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 2025	32,538	917	33,455
Additions	1,166	43	1,209
At 30 June 2025	33,704	960	34,664
At 1 January 2026	34,981	1,115	36,096
Additions	1,570	235	1,805
At 30 June 2026	36,551	1,350	37,901
Accumulated amortisation			
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
At 1 January 2026	25,898	757	26,655
Charge for the period	1,018	25	1,043
At 30 June 2026	26,916	782	27,698

Notes to the Condensed Consolidated Financial Statements

Carrying amount			
At 30 June 2026	9,635	568	10,203
At 31 December 2025	9,083	358	9,441

6. Borrowings

	Half year ended 30 June 2026	Year ended 31 December 2025 Audited
	USD $000	USD $000
Current		
Borrowings at amortised cost **(Note a)**	2,476	-
Non-current		
Borrowings at amortised cost **(Note b)**	-	2,465
	2,476	2,465

a) Short term 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.

b) Borrowings

Borrowings represent a funding agreement which commenced on 29 June 2023. Refer above note a for key terms.

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

Notes to the Condensed Consolidated Financial Statements

7. Issued Capital

	Half year ended 30 June 2026	Year ended 31 December 2025 Audited
	USD $000	USD $000
Issued, allotted and fully paid 141,634,695 (31 December 2025; 141,549,695) ordinary shares of 0.4p each	802	802

During the half year, there was 85,000 shares issued.

- On 18 March 2026, 20,000 fully paid ordinary shares were issued as a result of the exercise of performance rights.
- On 11 May 2026, 65,000 fully paid ordinary shares were issued as a result of the exercise of performance rights.

8. Revenue

	Half year ended 30 June 2026	Half year ended 30 June 2025
Project revenues: comprising Licence fees, installation/integration and supply of wireless communications technology	5,803	4,705
Support Revenue	2,695	1,224
Royalty Revenue	-	150
Total revenue	**8,498**	**6,079**

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 2025 $Nil) was advanced
- Interest of $Nil (31 December 2025 $1) was accrued and $Nil (31 December 2025 $2) was repaid
- Repayments of $Nil (31 December 2025 $156) were made by the company

At 30 June 2026, $Nil (31 December 2025 $Nil) is owing to David Deacon.

The amount due being represented by:

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

Notes to the Condensed Consolidated Financial Statements

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

- A short-term loan of $Nil (31 December 2025 $192) was advanced and $Nil (31 December 2025 $317) was repaid.
- Interest of $Nil (31 December 2025 $5) was accrued on short-term loan and $Nil (31 December 2025 $6) was repaid
- Repayments of $Nil (31 December 2025 $66) deferred wages and expenses were made by the company

At 30 June 2026, $Nil is owing to Peter Stephens (31 December 2025 $Nil).

The amount due being represented by:

- $Nil unsecured deferred wages and expenses, not subject to specific repayment terms and interest free and;
- $Nil 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 2025 $Nil) was advanced and $Nil (31 December 2025 $25) was repaid.
- Interest of $Nil (31 December 2025 $1) was accrued on the short-term loan and $Nil (31 December 2025 $1) was repaid
- Repayments of $Nil (31 December 2025 $1) unsecured deferred wages and expenses were made by the company

At 30 June 2026, $Nil (31 December 2025 $Nil) is owing to Paul Barnes.

The amount due being represented by:

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

10. Subsequent events

There have been no matters or circumstances that have arisen since 30 June 2026 that have significantly affected, or may significantly affect:

- the operations of the Group;
- the results of those operations; or
- the state of affairs of the Group in future financial years.

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 2026 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 2026

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
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