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ASX Announcement

ETHERSTACK PLC

[ASX:ESK]

("Etherstack" or the "Company")

ETHERSTACK AND CML COLLABORATE ON DMR TIER 2 AND TIER 3

Etherstack plc is pleased to confirm it will offer its DMR Tier 2 and Tier 3 Protocol Stack software integrated to existing DMR products from mixed-signal semiconductor company, CML Microcircuits.

By collaborating with CML, Etherstack hopes to lower the barrier to building high quality, low cost DMR radio equipment. Both companies are longstanding, experienced suppliers of Land Mobile Radio (LMR) technology and together offer a highly qualified DMR engineering team for ongoing support, advice and feature development.

The DMR segment of the market is the fastest growing of the US\$18B global LMR industry according to IHS research.

Etherstack's flexible licensing models will ensure customers have full ownership and control over the software and functionality of their radio equipment.

"This is a great chance to offer customers a unified software and hardware option for DMR that keeps product development firmly in the hands of the customer" says Anna Squires, Head of Etherstack's Protocols Division. "DMR is a modern, flexible and truly international standard. We hope this offering will contribute to the strong growth of DMR radio technology around the world."

At the Critical Communications World (CCW) 2016 tradeshow in Amsterdam last month, Etherstack demonstrated its DMR Tier 3 stack running on prototype hardware using CML's DMR silicon making calls to a third party DMR Tier 3 handset via DMR infrastructure. A fully integrated solution is under development between the companies.

"A comprehensive DMR silicon plus software solution; that is a unique DMR market enabler" says Malcolm Lyman, Marketing Manager of CML Microcircuits UK. "This solution will allow new manufacturers to enter the DMR market quickly with low risk and facilitate existing manufacturers to implement DMR Tier 3 quickly."

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 London, Sydney, New York and Yokohama.

About CML Microcircuits

Founded in 1968, CML Microcircuits has developed to become a world-leader in the design, development and supply of low-power analogue, digital and mixed-signal semiconductors for telecommunications systems worldwide.

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With its ISO 9001: 2008 certified design, production and marketing facilities and its truly global network of over one-hundred accredited distributors and representatives, CML offers a high-quality product backed by a wealth of design experience and the ongoing availability of 'local-knowledge' technical, applications and commercial support. This enables CML and its customers, to respond to market demands quickly, accurately and cost-effectively.

CML Microcircuits is a member of the CML Microsystems Plc. Group of companies (LSE:CML).

CML Microcircuits is a founder member of the dPMR and DMR associations.