



CEO presentation to AGM

Etherstack plc (ASX:ESK)

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FY2018 – Innovation, Profits & Growth

Presentation Overview

 **2018 Results:** R&D Investment, Profit & Revenue Growth

 **2019 Report:** Expanding global government business, continued innovation

 **2020 Vision:** Secure Hybrid Networks - blending 4G/5G, terrestrial and satellite communications solutions

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

FY2018 – Highlights

Revenue Growth 26.6%

2018 Revenue of US\$5.3m is an increase of \$1.1m over FY2017 and an increase of 26.6%

Return to Profitability

2018 Net profit after tax (NPAT) is US\$53k compared to loss in FY2017

US\$1.9m EBITDA

EBITDA of US\$1,863k which is a \$1,771k increase over the FY2017 EBITDA

Positive Operating Cash US\$1.5m

2018 Operating cash inflow of US\$1,528 compared to outflow of \$599 in 2017

Enabled:

- Increased R&D investment
- Debt reduction

FY2018 – Highlights

Major project wins

Defence wins totalling US\$2.1m in two separate countries

Continued Innovation

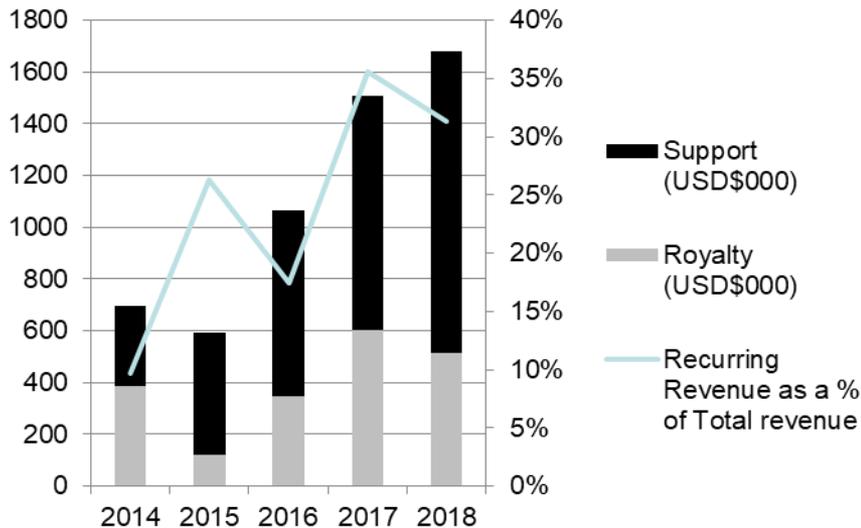
First IVX (P25 PTT over Satellite) sales
New 4G MC-PTT & LMR-IWF product developments underway

Expanding Govt Client Base

First US DHS (CBP) contract and product acceptance on stringent US DOI procurement panel

FY2018 – Highlights

Recurring revenues continue to grow



Aggregate recurring revenues comprising Royalties and Support revenues are US\$1.6m compared to \$1.5m in 2017

11.5% increase in recurring revenues in 2018

141% over the 4 year period from \$697 in 2014 to US\$1.6m in 2018.

Recurring revenues contributed 31% of total revenue in 2018

2019 – Report

Continued Network Business Growth

Public Safety: The Company continues to win critical communications networks in the US and AU markets at the state and federal level

Utilities: Existing clients continue to expand their networks, providing repeat equipment sales and increased support revenues

Resources: The Company has seen increased activity in the resources sector and expects to announce new awards this FY



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



2019: Building on 2018 Results

Revenue Mix Diversity Increases

 **Tactical Network Sales:** The maturing of the Company's tactical network product line has seen sales growth driven by our highly secure ad-hoc terrestrial and satellite network products to multiple govt clients in multiple regions

 **Underlying Support Revenues:** Continue to grow, contributing to the bottom line

 **Technology Deals:** Renewed interest in the Company's deep intellectual property portfolio has driven new technology licensing sales and opportunities that will contribute to royalty growth in coming years

 **New Products:** The Company continues to expand its product portfolio and has new product announcements slated for Q3 2019

2019: 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 V3 has been released with significant deal flow expect in the next 12-24 months

2020 Vision: Critical Communications

Innovation and Investment in R&D

🔗 Etherstack has invested almost \$20 million into our suite of intellectual property assets over an extended period and has developed a substantial intellectual property portfolio that generates a diverse range of revenue streams from multiple technology areas, clients and regions, and from a mix of mature, new and emerging product lines.

🔗 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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