30 June 2026 Half year results
Investor presentation

Etherstack plc (ASX:ESK)
20 August 2026




Authorised for release by David Deacon, CEO and Adam Hoey, 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 expanding

Financial & Business highlights H1 2026

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Financial highlights H1 2026 (USD$)

H1 Revenue up 40%

US$8.5m

Record half year revenue in 2026 equal to ~84% of full year revenue for 2025

H1 EBITDA

US$2.1m

EBITDA Margin 24%
Underlying EBITDA US$2.4m (28%)

H1 NPAT

US$0.43m

Return to profitability
Underlying NPAT US$0.8m (9%+)
Strong increase expected H2

H1 Recurring Rev

US$2.7m

Growing recurring ARR US$5.5m now 30%+ of total revenues
Highly sticky multi-year contracts

H1 New Contracts

US$10m+

AU Dept of Home Affairs A$9m+
UK Government GBP 1.6m+
Traditional LMR US$1m+

Operating Cashflow

US$0.8m

Management expects material increases in operating cashflow in 2nd half (FY26 H2)

First Half Business Highlights

Background to first half (last year)

- Record **FY25** year with **US$10.2m** revenues
- Two record 5+ years deals back-to-back in H2 FY25
- **US$20m+** AT&T deal announced August 2025, **seven-year** *initial* deal
- **GBP15m+** UK Government deal announced October 2025, **five-year** *initial* deal

First half achievements – US$8.5m record revenue

- **GBP1.6m (US$2m)** UK Government deal expansion announced
- **A$9m+** Commonwealth of Australia deal awarded (Department of Home Affairs) 3 year + 2 year option
- Further North American sales **US$1m+** of traditional LMR technology lines
- Establishment of additional UK facility (London) to support new UK Gov project
- Completion of US (Annapolis) SOC and NOCs to support AT&T FirstNet project
- Major milestones in Australian defence project completed

H1 Revenue up 40%

US$8.5m

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Second Half Outlook and Drivers

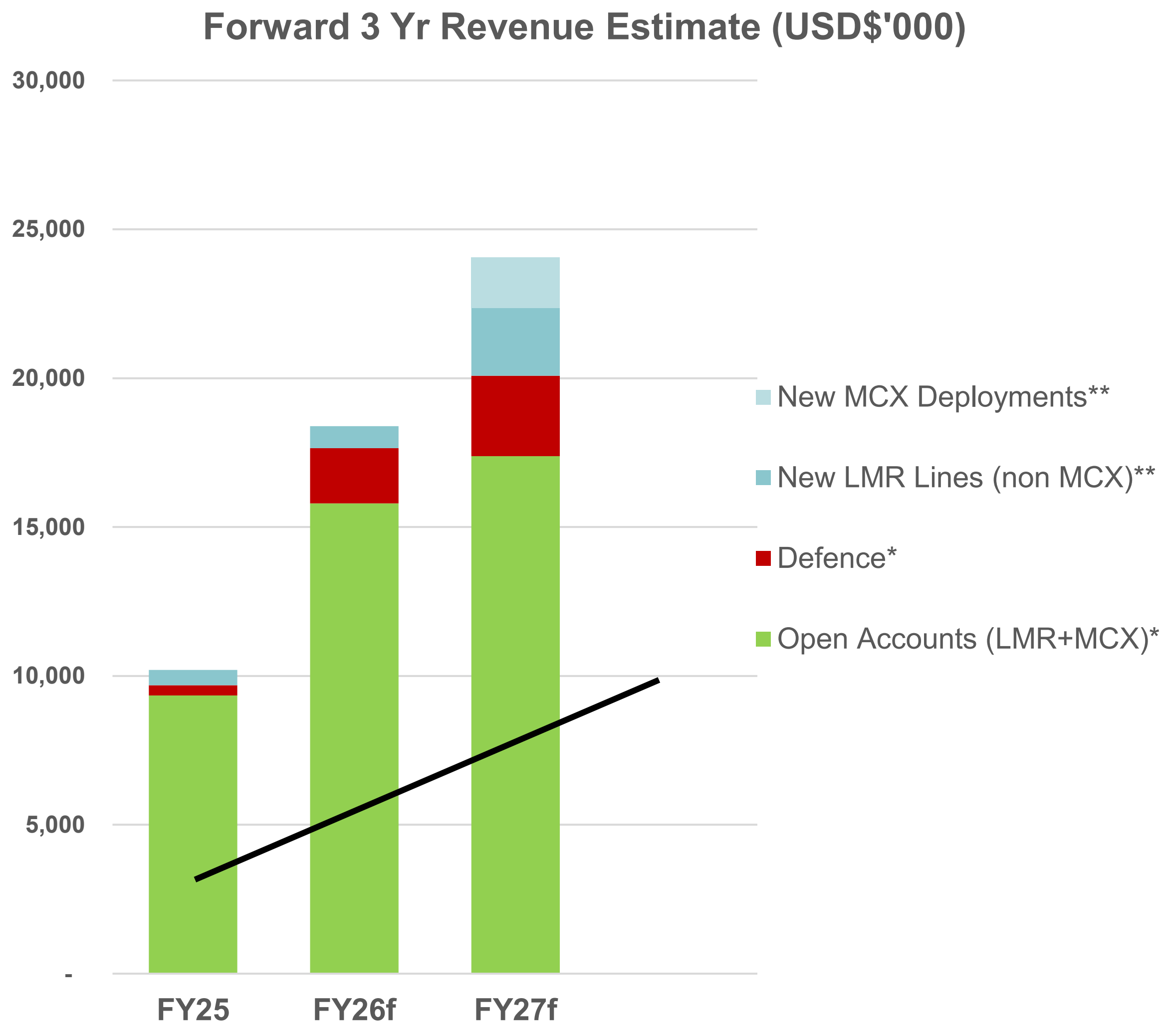
FY26 H2 Outlook – full year guidance US$17.2m - US$18.9m

- On track for new **record revenue** and profits in FY26
- Full year (FY26) revenue expected to be a record **70%+ growth** over pcp (FY25 US$10.2m)
- Management expects gross margins and net margins expected to **materially increase** to FY21-FY23 levels
- Margin expansion to result in **significant free cashflow**

FY26 H2 Drivers

- UK Government deal remains on track and is expected to deliver **~US$4m+ in H2**
- Existing underlying and new MCX related ARR streams to contribute almost **US$3m** in H2
- FY26 H1 Commonwealth of Australia deal already delivering revenues, with almost **US$1m** expected to 31 Dec 2026
- Rio Tinto project and other LMR deals from new product line to deliver over **US$1m** in LMR revenue in H2
- Further milestones in Australian defence project to be delivered this month adding almost **US$1m** to H2

Sustained Forward Total Revenues



Key forecast assumptions/comments

- Over US$50m+ in new orders announced since 1 August 2025
- These are on top of long-term underlying traditional revenues driving sustained increased profitability in current and coming years
- Management expects new LMR product lines (**) successfully launched to continue to provide high margin LMR growth and associated support revenues
- New MCX Deployment (**) estimates in graph to the left are uncontracted and represent baseline management estimates
- Multiple material MCX pursuits underway in ANZ, Asia, Europe and the Americas with mix of telco vendors for public safety, rail and utility projects

ARR

Annual Recurring Revenues (ARR) growing rapidly towards US$10m

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Strategic Review

Strategic Review - announced 13th July 2026

- In light of **US$50m+ order book** and management expectations of sustained revenue, profit and growth performance
- Review of the Company’s strategic and capital management framework to **maximise long-term shareholder value**
- Considering Company’s UK capital structure for creation of **distributable reserves** through reduction of capital
- **Investors should review** the announcement of 13th July 2026 for further details
- Review expected to be completed in September 2026

Income Statement

US$'000	H1 2026	H1 2025
Revenue from Contract with Customers	**8,498**	**6,079**
Recurring support and Royalty revenue	2,695	1,374
Project and Product Revenues	5,803	4,705
% Recurring Revenue to Total Revenue	*32%*	*23%*
Cost of Sales	4,743	2,174
Gross Profit	**3,755**	**3,905**
Gross Margin	*44%*	*64%*
Other Income	153	93
Other Overheads	(3,364)	(2,575)
Finance costs	(132)	(112)
Profit / (Loss) before tax	**412**	**1,311**
Income tax (expense) / benefit	(32)	(23)
Profit / (Loss) after tax	**432**	**1,288**

Key changes

- **Project revenue** up sharply on pcp underpinned by UK Home Office contract
- **Recurring revenues** – $ and % increased strongly over pcp due to AT&T contract transitioning to long term support phase
- **Gross profit** impacted due significant once off and front-loaded direct project costs associated with UK Home Office and AT&T projects. Expected to abate H2 2026. Note 1
- **Full year outlook:** management expects strong performance in H2 as once off costs fall away driving gross and net profits for full year to drive record year

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.

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Balance Sheet & Cash Flow Statement

Balance Sheet

US$'000	30-Jun-26	30-Jun-25
Cash and cash equivalents	749	1,671
Trade and other receivables	4,547	2,942
Other current assets	448	305
Intangibles	10,203	9,067
Other non-current assets	2,184	1,269
Total assets	**18,131**	**15,254**
Trade and other payables	2,451	1,575
Unearned revenue	1,591	1,701
Other liabilities	2,047	1,786
Borrowings	2,476	2,570
Total liabilities	**8,565**	**7,632**
Net assets	**9,566**	**7,622**

Cash Flow Statement

US$'000	Half year 2026	Half year 2025
Net cash generated / (used in) operating activities	792	3,378
Net cash flow (used in) investing activities	(2,113)	(1,548)
Net cash flow (used in) financing activities	(257)	(307)
Net increase/(decrease) in cash	**(1,578)**	**1,523**
Effect of foreign exchange rate changes	68	12
Cash and cash equivalents at start of period	2,259	136
Cash at end of period	**749**	**1,671**

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

Prudent balancing of working capital reserves and continued investment

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

Questions

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