

22 July 2021

ASX Announcement

ETHERSTACK PLC [ASX:ESK]
("Etherstack" or the "Company")

Etherstack Signs A\$11.6m Samsung Carrier Deal

Etherstack plc is delighted to announce that its subsidiary, Etherstack Wireless Ltd, has signed an A\$11.6m deal with Samsung Electronics Co. Limited of Korea ('Samsung') to supply Etherstack network elements to Samsung for provision to a telecommunications carrier client of Samsung's for public safety use.

In June 2020, Samsung and Etherstack announced that they had entered into a Global Teaming Agreement for the companies to jointly pursue opportunities to provide MCPTX (mission critical push-to-talk/voice/video) solutions globally within the telecommunications carrier sector as they deploy 5G networks, with Samsung as the prime contractor incorporating Etherstack network elements within these MCPTX solution deployments.

The Company now reports that Samsung has signed a binding agreement with a carrier, and as a result, Etherstack and Samsung have entered into a contract under which Etherstack will support Samsung.

The key terms of the contract are:

- Total revenues for Etherstack comprising licence fees, project deployment revenues and support revenues are USD\$8.5 million (~AUD\$11.6 million), which includes USD\$1.2 million revenue previously announced on 18th February 2021.
- The term of the contract is 5 years, with the majority of the licence revenues expected to be recognised across the Company's 2021, 2022 and 2023 financial years (31 Dec year end). Initial support revenues included in the deal are expected to commence in 2022 and be earned over 3 years from the date of delivery of the solution to Samsung's customer.
- Additionally, further long-term annual support revenues, while not yet currently contracted, are expected to renew in FY2025, with a typical minimum lifespan of 10-15 years for public safety infrastructure projects.

Etherstack has previously advised that it is pursuing multiple carrier deals with Samsung, and this deal represents the first delivery to one of Samsung's clients. The Etherstack network elements are switching software elements, commonly known as softswitches which typically reside in carriers' virtualised network environments.

Etherstack CEO, David Deacon said, "Samsung and Etherstack have been working on joint carrier pursuits for MCPTX over the last two years and it is fantastic to notch up our first carrier win with Samsung. Samsung are clearly the leader in 5G network deployments and we are confident that this initial win will lead to further carrier awards".

Authorised for release by David Carter, 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 London, Sydney, New York and Yokohama.