

30 May 2017

ASX Announcement

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

CONVERTIBLE NOTE ISSUE

Etherstack plc advises it has successfully completed a Convertible Notes issue, raising US\$ 593,000 from existing shareholders including directors.

Funds raised from the issue of the Convertible Notes will be used to provide working capital. The key terms of the issue are set out below:

- The Convertible Notes are unsecured.
- The Convertible Notes shall convert into ordinary fully paid shares in the capital of Etherstack plc at a conversion price of AUD\$0.25. The conversion rights will be subject to approval by shareholders at the AGM in 2017. If the conversion rights are approved, up to 2,980,646 fully paid ordinary shares may be issued.
- The Convertible Notes are unlisted.
- The Convertible Notes are predominantly denominated in GBP with some notes denominated in AUD.
- Interest will accrue at 5% pa until the end of 2017 and at 9% for 2018 and 2019. Accrued interest will be payable quarterly in arrears.
- The Notes are Convertible at the note holders' option at any time prior to maturity on 31 December 2019.

About Etherstack plc (ASX:ESK):

Etherstack is a wireless technology company specialising in licensing mission critical radio technologies to 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 can be found radio communications equipment used in the most demanding situations. The company has R&D facilities in London, Sydney, New York and Yokohama.

For further information, contact:

David Carter
Chief Financial Officer
Etherstack plc
+61 2 8399-7500

English Registered Company No. 7951056 | ARBN 156 640 532

Sydney
+61 2 8399 7500
info.au@etherstack.com

Yokohama
+81 45 342 9050
info.jp@etherstack.com

Singapore
+65 8189 6200
info.sg@etherstack.com

Barcelona
+34 93 487 4929
info.eu@etherstack.com

New York
+1 917 661 4110
info.na@etherstack.com