(Incorporated in the Cayman Islands with limited liability)

Plover Bay Technologies Announces 2021 Annual Results

Revenue and diluted EPS grew 40.3% and 45.9% year-over-year, reflecting robust market momentum

HONG KONG - 25 February 2022 - Plover Bay Technologies Limited ("Plover Bay", SEHK stock code: 1523), today reports its full year financial results ended 31 December 2021 ("FY21" or "2021") with revenue of US$74.1 million, net income of US$21.2 million and diluted earnings per share of US1.94 cents. In addition, Plover Bay declares a second interim dividend of HK8.27 cents plus a special dividend of HK0.71 for the period, totalling HK8.98 cents per share.

Financial Summary:

For the year ended 31 December 2021	**2021**	**2020**	**YoY Change**
Revenue (US$ in 000)	**$74,128**	$52,818	40.3%
Gross margin (%)	**58.2%**	58.3%	-0.1pp
Operating expenses, other income and finance cost (US$ in 000)	**$18,428**	$14,758	24.9%
Profit before tax (US$ in 000)	**$24,727**	$16,042	54.1%
Net profit (US$ in 000)	**$21,200**	$14,230	49.0%
Diluted earnings per share (US$ in cents)	**1.94**	1.33	45.9%
Dividend declared (HK$ in cents)	**14.30**	11.43	25.1%
First interim dividend (declared and distributed)	**5.32**	3.03	
Second interim dividend	**8.27**	6.23	
Special dividend	**0.71**	2.17	

FY21 Highlights

- Revenue was US$74.1 million, up 40.3% year-over-year. The strong increase can be attributed to growing market demand for small-sized, ad-hoc networks and remote networks. This includes networks serving everything from homes, offices, shops, vehicles, ships, events, IoT devices and many other applications, all of which require enterprise level reliability.

- As a result, growth was well distributed across many markets and channel partners. During the year, revenues from North America increased 45.7%, EMEA increased 35.6%, Asia Pacific increased 19.7% and other regions increased 112.0%, respectively year-over-year.

- In our business segments, sales of wireless SD-WAN routers increased 49.6%, sales of wired SD-WAN routers increased 36.2%, warranty and support services increased 27.6% and sales of software licences increased 16.3%, respectively, year-over-year.

- In terms of products, the Group currently has one of the most comprehensive 5G product portfolios in the market. During the year, 5G products accounted for about 10.1% of the Group's revenue, on top of the strong growth recorded for our LTE products.

- Recurring revenue was 23.4% of total sales during the year Despite the slight drop in the product mix of the recurring revenue, it continued to grow at a decent rate of 28.6% year-over-year.

- Operating expenses, primarily including selling & distribution, general and administration and research and development expenses, amounted to approximately US$18.4 million with a year-over-year increase of 24.9%. The Group experienced strong operating leverage as a result of the strong revenue growth.

- Net income increased 49.0% year-over-year to about $21.2 million. Full-year diluted earnings per share increased 45.9% year over year to US 1.94 cents, from US 1.33 cents in 2020.

Business outlook

Going forward, we are seeing a number of drivers:

- **Momentum of the demand for small-sized, ad-hoc networks continues** - Businesses continue to look for quick deployment, affordable pricing and easy-to-use solutions. We will continue to offer full featured and highly competitive small platform appliances for many vertical markets. We will also continue to work with MSPs to deliver innovative and influential projects, which will form the blueprint for future customers.

- **Multi-year 5G deployment cycle** - Cost of mobile bandwidth continues to trend down, especially with the introduction of 5G. As the price of "metered" mobile networks matches the price of "unmetered" fixed-priced fixed broadband, using mobile networks as part of enterprise networks begins to make economic sense, given mobile allows for more network agility. We therefore believe more enterprise customers will adopt multiple 5G/LTE links to form an elastic, dynamic on-demand wireless network, which is even more reliable than fixed broadband in certain locations.

- **Growing ecosystem of software and products to drive recurring subscriptions** - Besides our growing installed base, we continue to expand our software features and subscription offerings on top of our current subscription model. Examples include SpeedFusion Cloud and SpeedFusion Connect, both provide a flexible option to customers to enable reliable connectivity with just a few clicks. This also allows us to tap into data revenue.

- **Emerging market expansion** - We will leverage our software capabilities and extended supply chain partners for the hardware to expand to ASEAN and emerging countries. Through these partners, we will combine competitive product pricing with stable software code and advanced features to create a compelling new product family for these emerging markets. While these markets may require a lower price point, they present significant growth opportunities for us.

Mr. Keith Chau, CEO of the Group said "We believe that 2021 is the beginning of multi-year growth for Plover Bay Technologies. The adoption of mobile networks in enterprises is rapidly gaining traction, and new innovative applications are constantly materializing. These smaller networks still require the reliable connectivity that enterprise customers are accustomed to. Plover Bay is well positioned to deliver this with our industry-leading 5G/LTE product portfolio that could satisfy the needs of many vertical markets".

About Plover Bay Technologies Limited

Plover Bay Technologies (SEHK: 1523) Plover Bay Technologies (stock code: 1523) is a world-leading Internet connectivity technology company. The Company is primarily engaged in developing and commercialising SD-WAN solutions under its own brands – 'Peplink' and 'Pepwave', whose core technologies and services help thousands of customers from varied industries to increase bandwidth, enhance Internet reliability, and reduce costs. The Group's complete product line includes models for businesses of all sizes and provides an award-winning Internet experience for customers.

For more details, please visit https://www.ploverbay.com.

Enquiries:

Phone: +852 2990 7620

Email: ir@ploverbay.com