

ASX Announcement/Press Release | 11 October 2023

Spacetalk Limited (ASX:SPA)

Spacetalk launches Family App, targeting the lucrative older tweens and teens market segments

Investment highlights

- Spacetalk launches a mobile first family safety and tracking Family App, targeting the older tween and teens market segments.
- The Family App delivers many of the features and benefits offered by Spacetalk's best-selling smartwatches.
- The Family App will drive customer retention and significantly grow Spacetalk's key target market of digitally native families.
- The Family App is expected to deliver steadily increasing recurring software and Spacetalk Mobile revenue streams.
- The Family App is another milestone in Spacetalk's plans to create an ecosystem of products that provide safety and peace of mind to their users.

Spacetalk Limited (ASX:SPA) ("Spacetalk" or "the Company") is pleased to announce the launch of its Family App. This mobile first family safety and tracking app, which significantly increases the Company's addressable market, provides parents with a way to seamlessly progress older children from a Spacetalk smartwatch to their first mobile phone. The app delivers many of the features and benefits offered by Spacetalk's best-selling smartwatches.

Family App will drive customer retention and add first-time clients

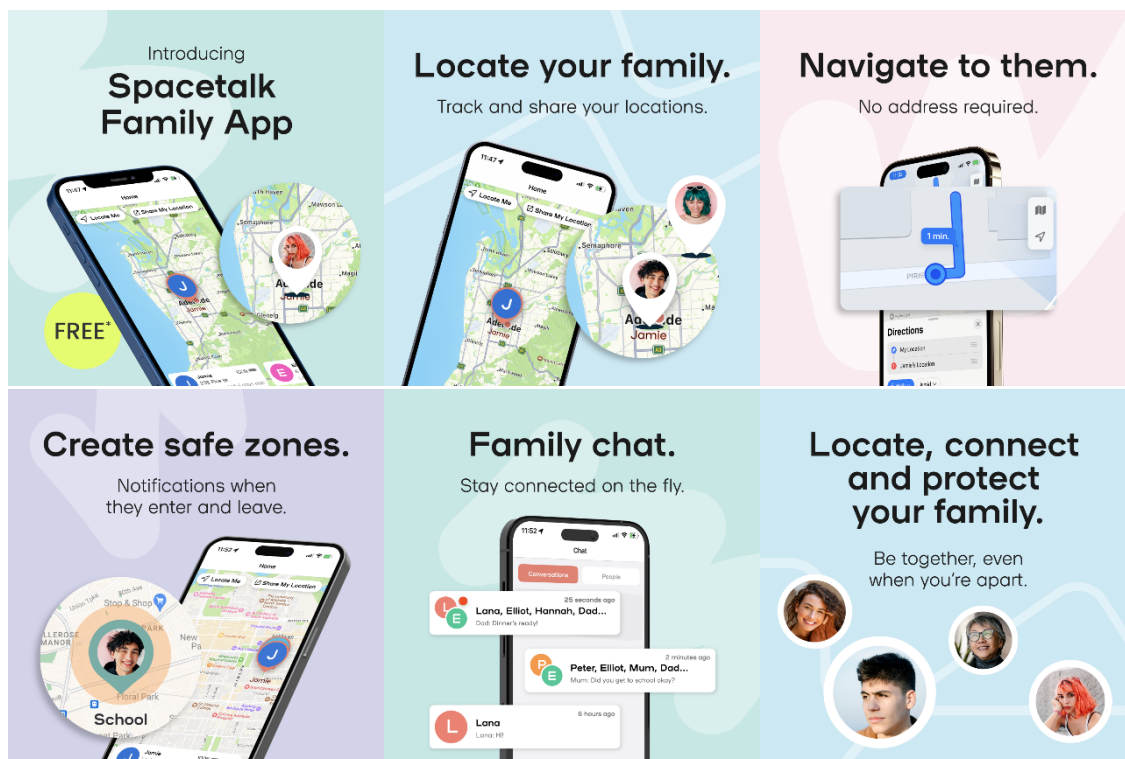
Spacetalk is already the recognised leader in the premium kids' smartwatches category, both from a volume and value perspective. Since the launch of the Company's kid's wearables products, it has acquired more than 60,000 active companion app subscribers.

The launch of the Family App gives Spacetalk the product to retain these companion app subscribers as they approach teenage years and take possession of their first mobile phones. This will result in improved customer retention.

Importantly, the app also gives Spacetalk access to a whole new group of potential customers. Parents who were previously not Spacetalk product users will be attracted by the app's ability to add safety and security features to the first mobile phones they are giving their older tween/young teenager children.

This addressable market is considerable. According to cyber protection provider Malwarebytes, around 80% of parents monitor their kids' electronic behaviours and their location, and about 50% of these parents use more than one form of monitoring.

The Spacetalk Family App provides peace of mind



Family App expected to quickly bolster Spacetalk revenue base

The Family App is expected to quickly gain traction in the key target market of digitally native families. Spacetalk estimates that the app will triple its total addressable market to around 5.3 million persons (from 1.6 million previously). New Spacetalk subscribers together with improved customer retention generated by the Family App will promptly feed through into an increased recurring revenue base. It also creates cross sell opportunities.

Family App launch is clear evidence that Spacetalk's growth plan is being implemented

A foundation stone of Spacetalk's stated strategic plan is to broaden and deepen the Company's product offerings, making them attractive to potential clients across all parts of the family life cycle. This is now being achieved by the creation of an ecosystem of products, the new Family App included, that provide safety and peace of mind. These products and the increased traction they deliver in target markets will result in steadily increasing recurring software and Spacetalk Mobile (Mobile Virtual Network Operator (MVNO)) revenue streams.

Increased revenues flowing from the Family App will take Spacetalk a step closer to reaching its stated target of \$20M -25M of annual recurring revenue (ARR) within the next three years. Attainment of this goal would represent a tripling of the Company's FY23 ARR.

Spacetalk Chief Executive Officer and Managing Director Simon Crowther, said:

"The launch of the Spacetalk Family App represents a key milestone in the delivery of the strategic plan we communicated to the market back in mid calendar 2023. Thanks to this new product, we are now able to bridge the transition that kids have between a Spacetalk Watch and the receipt of their first smartphone. Parents can be assured that all the same great features and benefits of family safety and security incorporated in the Spacetalk Watch are carried across and accessed via our new dedicated mobile Spacetalk Family App.

Importantly, the Family App will not just improve our existing customer retention, it gives us the means to gain new customers from a significantly larger addressable market, which now also encompasses the late tweens and teen segments. Looking ahead, we expect to announce further new product releases over coming months that demonstrate Spacetalk's commitment to helping customers provide safety and security at every stage of their family's life style."

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About Spacetalk Limited (ASX:SPA)

Spacetalk Limited (ASX:SPA) is a software services and smartwatch hardware product developer. As a package, the company's technology platform provides a complete digital communication solution that supports safety and security for families across their life cycles and for employees working in remote settings. The company's unique proprietary ecosystem, which has continued to evolve over time, is today recognised as a leader in family safety and the connected wearables industry.

The Spacetalk technology platform comprises both market-leading hardware and a trusted, client-controlled software platform that provides safety and security to users via the benefits of mobile technology.

The multi-functional Software-as-a-Service Spacetalk App can be customised, giving clients the ability to enable or disable individual features. Parents are empowered to block their child's access to the open internet, social media and inappropriate adult content while simultaneously blocking calls and messages from unknown senders. The app can also track the location of vulnerable family members, including children and seniors requiring constant monitoring.

Spacetalk's best-in-class software platform additionally supports children's development by facilitating engaging, confidence-building experiences that the whole family can participate in and enjoy.

Spacetalk's core hardware, its smartphone-watch, is effectively a child's first mobile phone. It offers all the benefits of a smartphone, operating on a secure, private and parent-controlled ecosystem that can be customised to reflect each family's needs and values.

To learn more, please visit: www.spacetalk.co/

For more information



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This ASX announcement has been authorised by the Board of Spacetalk Limited (ASX:SPA)