

ASX Announcement | 12 January 2024

Spacetalk Limited (ASX: SPA)

Spacetalk delivers strong Mobile active subscribers and forecasts revenue growth.

Spacetalk has grown Mobile active subscribers +77% vs Q4FY23 and expects more than 20% revenue growth for 1H24 vs PCP.

Investment highlights

- Spacetalk Mobile (MVNO) continues to experience strong active subscriber growth, increasing by 58% vs Q1FY24 and 77% vs Q4FY23 to over 26,000 active subscribers.
- 1H24 revenue from continuing operations expected to grow more than 20% vs prior corresponding period¹ ("pcp").

Spacetalk Limited (ASX: SPA) ("Spacetalk" or "the Company") is pleased to provide an update on its performance for the quarter ended 31 December 2023 (Q2 FY24) and the half year period then ended, along with the following operational update.

Strong Spacetalk Mobile (MVNO) subscriber growth during the quarter and half year

Following strong Black Friday and Cyber Monday sell out performance that was announced to the market on 22 December 2023, Spacetalk reports over 26,000 active MVNO subscribers at 31 December 2023, representing a 58% growth on active Spacetalk Mobile subscribers at closing of Q1FY24 and 77% growth at closing of Q4FY23.

The strong Spacetalk Mobile (MVNO) growth reflects the result of a combination of pleasing Q2 sell out performance, high activations due to soft locking the Loop watch to the Spacetalk Mobile network and the value of the Spacetalk ecosystem that has resulted in strong retention of existing customers.

¹ This refers to restated 1H23 revenue from continuing operations.

Spacetalk's entry into the 4G and 5G mobile handset plans market as flagged in the market announcement on 13 December 2023, and the strong subscriber base at the end of the period, positions the company to further consolidate subscriber growth and annual recurring revenue (ARR) in the future.

Spacetalk revenue growth momentum continues.

Spacetalk 1H24 revenue is forecast to grow by over 20% compared to the prior corresponding period. The revenue growth is underpinned by growth in Spacetalk Mobile (MVNO) revenue, resulting from the growth in active subscribers. Spacetalk wearables revenue is forecast to record double digit growth, reflecting the strength of the Spacetalk brand, resulting in Spacetalk outperforming the overall category in a challenging market. Spacetalk will further update the market regarding 2Q24 performance in its Quarterly Activity Report which will be lodged by 23 January 2024 and 1H24 performance by 26 February 2024.

Commenting on Spacetalk's performance, Chief Executive Officer and Managing Director Simon Crowther, said:

"I am delighted to provide a positive interim update ahead of our half year results which reflects our commitment to communicate more effectively with shareholders and the wider investor community. Spacetalk continues to deliver growth that reflects the focused execution of our strategy. We are building an ecosystem of interconnected products and Spacetalk Mobile subscriber growth is pleasing as it demonstrates the strength of the Spacetalk suite of products that together deliver safety for families. Strong activation of devices and retention of existing customers drove the growth in Spacetalk Mobile subscribers, and this underpins our overall strategy to continue the growth of our subscription-based revenue model in addition to wearables revenue. The Company forecasts to deliver more than 20% revenue growth during 1H24 in a challenging market, and I am excited by the Spacetalk Mobile revenue trajectory. We are on track to meet our stated long term ARR target of \$20-\$25m in ARR over the 3 years from FY23".

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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)