



ASX Announcement
Spacetalk Ltd. (ASX:SPA)
19th December 2022

Loan Facility Restructure Completed

Spacetalk Ltd. (ASX:SPA) (“Spacetalk” or “Company”), the Australian company that provides safety and connectivity to families, is pleased to advise that the restructure of its loan facility with PURE Asset Management (“PURE”) has been successfully completed.

Further to the [Company’s announcement of 23 November 2022](#), Spacetalk has now executed agreements with PURE so as to reduce the interest rates and extend the term on its loan facility. The final commercial terms are the same as those prior advised and appended to this announcement.

The executed agreements detail that the:

- interest rate for the \$3.0 million term loan will be 9.5% per annum, with the repayment date remaining 20 March 2025; and
- interest rate for the \$2.0 million bridging loan will be reduced to 9.5% per annum, with the repayment date extended to 1 July 2024 from the current 10 September 2023.

The interest rate reduction will result in an annualised saving of over \$0.3 million.

As part of this renegotiation, Spacetalk issued to PURE a warrant over 90 million Spacetalk shares, exercisable at any time prior to 13 March 2025 (7 days prior to repayment date of the term loan). The warrant exercise price will be \$0.06 per share with provision for a price adjustment under certain circumstances including but not limited to a change of control or future equity issuances exceeding 15% of shares on issue. The warrant price represents a 100% premium to the price of the current rights issue.

Should this warrant be exercised in full at \$0.06 per share, this would provide the Company with an additional \$5.4 million of cash, an amount sufficient to fully extinguish existing PURE facility.

Pure have also confirmed its intention to participate in the current rights issue.

This announcement has been authorised by the Spacetalk Board.

Appendix – Key PURE Facility Terms

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| Term Loan Interest Rate | <ul style="list-style-type: none"> 9.50% per annum, paid quarterly |
| Term Loan Repayment Date | <ul style="list-style-type: none"> \$3,000,000 repayable on 20 March 2025 |
| Bridging Loan Interest Rate | <ul style="list-style-type: none"> 9.50% per annum, paid quarterly |
| Bridging Loan Repayment Date | <ul style="list-style-type: none"> \$2,000,000 repayable on 1 July 2024 |
| Voluntary Repayment | <ul style="list-style-type: none"> In minimum tranches of \$500,000, on 60 business days' notice, with a 2.50% repayment fee |
| Security | <ul style="list-style-type: none"> First ranking charge over all present and after-acquired property of the Company and its subsidiaries per existing General Security Deed |
| Financial Covenant Pre-30 June 2023 | <ul style="list-style-type: none"> Upon finalising the Deed of Amendment and Restatement and the receipt of binding commitments for a capital raising prior to 31 December 2022, existing covenants will be rescinded and replaced as follows: <ul style="list-style-type: none"> Pre-30 June 2023 <ul style="list-style-type: none"> Financial Covenants in respect of minimum cash holdings adjusted for inventory increases and trade creditors. Post-30 June 2023 <ul style="list-style-type: none"> Financial Covenant in respect of minimum cash holdings plus one additional covenant to be agreed prior to 30 April 2023. |
| Warrant | <ul style="list-style-type: none"> A warrant over 90,000,000 shares Subject to an Exercise Price being the lower of \$0.06 and adjusted price in the event of a change of control or new equity issuance, exceeding 15% of shares on issue, provided that no adjustment will occur as a result of the entitlement issue announced on 23 November 2022 |



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About Spacetalk Ltd.

Spacetalk Ltd. (ASX:SPA) is an Australian company that strives to bring the best wearables and software ecosystem to families around the world to advance child safety, development, and wellness.

The ASX-listed company is recognised globally as a leader in the connected wearables industry thanks to its unique proprietary ecosystem that keeps families connected. This market-leading hardware and trusted, parent-controlled software platform enable children and families to experience the benefits of mobile technology securely and with confidence.

With the Spacetalk App, parents can prevent their children's access to the open internet, social media and inappropriate adult content while blocking calls and messages from unknown senders. The app also keeps track of a child's location and is customisable so every feature can be enabled and disabled as needed.

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

The Spacetalk smartphone-watch is a child's first mobile phone, offering all the benefits of a smartphone and operating on a secure, private and parent-controlled ecosystem that can be customised to reflect each family's needs and values. Together, the watches and software platform provide a complete digital communication solution that families can rely on at all times.

Spacetalk was founded in 2001 and listed on the ASX in 2003 as MGM Wireless Limited, which developed the world's first SMS student absence notification platform for schools and went on to become Australia's most successful school messaging company. On 12 November 2020 the Company changed its name to Spacetalk Ltd.

To learn more about the Spacetalk devices and app platform, and the Company, please visit: <https://www.spacetalkwatch.com/>. Investor Centre: <https://investors.spacetalkwatch.com/>.