



ASX Announcement

Spacetalk Ltd. (ASX:SPA)

22nd May 2023

Spacetalk launches Adventurer 2 smartwatch, reflecting key milestone in expanding ecosystem and alignment under central brand

Spacetalk Limited (ASX:SPA) (“Spacetalk” or the “Company”), the developer of technology providing tools to support family safety and security at every stage of life, is pleased to announce the launch of the Adventurer 2 all-in-one smartwatch, phone and GPS safety device for children aged 5-12.

Highlights:

- **Adventurer 2 launch, effective Monday 22nd May 2023**
- **Key channel partners engaged, reflecting proactive shift towards a more sophisticated approach to retail distribution**
- **Solid early demand from retailers with encouraging sell-in achieved to-date**
- **Positive interest to early digital marketing and anticipated strong eCommerce demand**
- **First of many product initiatives as part of Spacetalk’s recently announced growth strategy, supporting the Company’s continued focus on child safety and family peace of mind**
- **Specific insights from children, parents and carers incorporated to deliver device enhancements**
- **Price point maintained (\$349 RRP) - in line with original Adventurer watch**
- **Expands Spacetalk’s ecosystem of products, anchoring future updates**

Commenting on the launch, Chief Executive Officer and Managing Director Simon Crowther, said:

“The launch of Adventurer 2 is an important step in continuing to innovate and improve our kids smartwatch and demonstrates our continued commitment to child and family safety. This is a key milestone as set out in our recently announced growth strategy. Today’s launch illustrates execution against several key initiatives enabling our return to growth, notably enhancing Spacetalk’s product ecosystem, aligning under a single brand and driving subscription-based products and recurring revenues.

Being a customer-centric organisation, Spacetalk has listened carefully to its customers, incorporating a variety of feedback from children and parents to deliver an enhanced device. Specifically, Adventurer 2 is lighter with a newly designed secure band – including an upgraded buckle – resulting in comfort and durability improvements providing for all day use. We now allow for user customisation through a range of interchangeable coloured straps, sold as after-market accessories.

For many years Spacetalk’s focus on child safety and family peace of mind, has seen us provide reassurance to parents and carers that their kids are attending school. With the launch of Adventurer 2, we build on this track record and continue to play our part in safely delivering them to and from their school, providing greater confidence and independence to explore the world, while maintaining connectivity with those who matter most.”

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Delivering enhancements and device improvements

Designed and developed in Australia, Adventurer 2 has everything kids need to stay connected, with additional parental controls and school mode, making it a safe, school friendly alternative to a smartphone. The Adventurer 2 – made for parents, designed to be loved by kids – reflects enhancements versus Adventurer 1 as the Company incorporates specific customer insights and feedback to deliver durability and increased comfort as well as a sleek, clean watch face. Adventurer 2's new design and significantly lighter weight, provides a device more suitable for smaller, younger children but also appeals to a slightly older child. As a result, Adventurer 2 has been designed specifically for children aged 5-12.

Using the Spacetalk app, parents can manage everything in their child's Adventurer 2 device, customising safety settings as well as view location, mood and activity levels. Adventurer 2 is also compatible with the Adventurer 1 charging stand, charger and screen protector, aiding penetration and model conversion. Full Adventurer 2 design, functionality and specifications can be accessed at <https://spacetalk.co/>¹.

Importantly, while the price point of Adventurer 2 is consistent with that of its earlier model (\$349 RRP), the Company has achieved the above-mentioned enhancements while reducing its per-unit production cost, thereby increasing margin per watch.

Further enhancing Spacetalk's product ecosystem, aligning under central brand

As outlined within Spacetalk's May 10th strategy update, a key feature of the refreshed growth strategy was to enhance Spacetalk's product ecosystem, taking a customer-centric organisational approach and aligning under the central Spacetalk brand. Today's launch of Adventurer 2 illustrates a significant, early milestone, reflecting a fundamental step within Horizon 1 of this future growth strategy. It also provides the Company with added confidence throughout the remainder of FY23 and into FY24.

Each Adventurer 2 comes packaged with Spacetalk's own MVNO Jumpy SIM - soon to be rebranded Spacetalk SIM to align under the central Spacetalk brand – with a variety of affordable talk, text and data plans, specifically tailored to Adventurer 2, to ensure it is operational directly out of the box. This also assists in achieving Spacetalk's goal of building its subscription base - a key driver in achieving more sustainable and recurring revenues, while increasing customer lifetime value across an expanded audience.

Key channel partners engaged, reflecting proactive shift towards more sophisticated distribution

Spacetalk's omnichannel distribution strategy centres around the Company's enduring relationships with key retail partners and distributors, supplemented by Spacetalk's own direct-to-consumer eCommerce offering. Significant effort has focused on activating, driving and enhancing Spacetalk's go-to-market capabilities, targeting the Adventurer 2 launch.

Beyond selling into key retailers and direct-to-consumers via Spacetalk's website, the Company will also offer Adventurer 2 for sale via Amazon. Key marketing efforts will incorporate Google and Meta, in addition to utilising influencer channels to expand market awareness amongst Spacetalk's audience.

¹ Key features include: 4G phone, GPS location, HD video calling, feelings, water resistant, school mode, chat & SMS, SOS alert, safe contact list, reward stars, 5MP camera, fitness tracker, heart rate monitor, reminders & alerts as well as no social media and no open internet.



Early Adventurer 2 demand from retailers has been encouraging, with solid sell-in achieved to-date across Spacetalk's key retailers, including JB Hi-Fi, Big W, Harvey Norman and Officeworks. Spacetalk remains confident in its ability to collaborate with and leverage its current network, extending beyond 600 unique points of distribution. Equally, Spacetalk has observed positive interest to early digital marketing which is expected to support eCommerce demand.

Spacetalk is effectively managing sell-out of remaining Adventurer 1 inventory across channels and will provide future updates relating to demand of both Adventurer 1 & Adventurer 2 devices before the release of Spacetalk's Q4 FY23 results, in July.

This announcement was authorised by the Board of Spacetalk Limited.

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The advertisement features a grey Spacetalk Adventurer 2 smartwatch with a white face, displaying a video call with a woman. To the right is a smartphone showing the Spacetalk app interface, which includes a map with 'Safe Zones', a list of contacts (Josh, Amelia), and a 'School' section. The background is a light blue gradient.

SPACETALK

The Original Kids Smartwatch

Adventurer 2

Video Calling + Location Tracking + Talk & Text + School Mode + SOS Function + More

- No social media or web browser
- Simple interface for little fingers
- Water Resistant (IP67) & Gorilla Tough Glass
- Keep track with the Spacetalk app*

Spacetalk Schools

Spacetalk is Australian owned and operated. We are trusted by over 1500 schools and 1.5 million parents across Australia to locate their children and keep them safe.

*App Fees of \$5.99 per month apply. App fees help provide accurate GPS location tracking, ongoing updates and improvements. App fees are waived if supplied sim used.



About Spacetalk Ltd.

Spacetalk Ltd. (ASX:SPA) is the developer of technology providing tools to support family safety and security at every stage of life.

The ASX-listed company is recognised globally as a leader in the connected wearables industry thanks to its unique proprietary ecosystem that keeps families safe. 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 child'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 always rely on.

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 how Spacetalk devices and app platform keep families safe at every stage of life, and the Company, please visit: www.spacetalk.co/. Investor Centre: www.investors.spacetalk.co.