

ASX Announcement | 28 August 2023
Spacetalk Limited (ASX: SPA)

Spacetalk announces full year 2023 results.

Strategic reset provides tangible results.

Investment highlights

- Strong 2H23 normalised EBITDA of $-\$0.6$ vs $-\$2.4$ m in 1H23.
- Annual recurring revenue (ARR) increased 33% vs prior corresponding period ("pcp") to $\$8.3$ m.
- Recurring revenue 55% of total revenue and grew 15ppts vs pcp.
- Strong Mobile Virtual Network Operator ("MVNO") subscriber growth since launch
- Revenue from continuing operations decreased 9% vs pcp to $\$13.4$ m
- Debt restructure announced post year end.
- Overseas operations wound down.
- Cash in bank at the end of the year was $\$3.0$ m

Spacetalk Limited (ASX: SPA) ("Spacetalk" or "the Company") today reports its unaudited results for the year ended 30 June 2023.

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

"Spacetalk delivered pleasing financial and operational performance with Annual Recurring Revenue (ARR) growth of 33% to $\$8.3$ m compared to prior year, supported by strong MNVO growth since launch in November 2022. MVNO subscribers grew by 14,720, contributing $\$1.4$ m in FY23 revenue. On an annualised basis, MVNO revenue is $\$2.6$ m, contributing 31% of June 23 ARR.

FY23 recurring revenue as a proportion of total revenue grew by 15ppts to 54%, demonstrating the shift in mix from hardware to a subscription-based model. Our clean temporary wind down of loss-making UK, EU, and US operations has resulted in significant cost savings, while selling excess legacy Adventurer 1 inventory generated cash and freed up space for our exciting new products.

Our turnaround is well progressed and is starting to deliver solid tangible results. We recorded strong normalised 2H23 EBITDA of $-\$0.6$ m, an improvement of $+\$1.8$ m on 1H23. I am confident that with the new products that are planned for launch in FY24, together with the strong foundation set in 2H23, Spacetalk is set for sustainable revenue and cash flow growth in the future."

For a detailed analysis of FY23 performance refer to the accompanying Appendix 4E.

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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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About other company mentioned in ASX announcement (if applicable)

To learn more about Spacetalk please click here: www.spacetalk.co/

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