

ASX Announcement / Press Release | 22 December 2023
Spacetalk Limited (ASX: SPA)

Spacetalk delivers strong sales volume growth during key trading periods

Investment highlights

- Spacetalk has increased Australian device sell out¹ volume +16% across the key Black Friday and Cyber Monday periods²
- Spacetalk's new Loop product performed strongly, complementing Adventurer 2, strengthening our position in the kids watch category and driving 16% volume growth from continuing operations vs prior corresponding period ("pcp")
- Spacetalk Mobile (MVNO) continues to experience strong subscriber growth, increasing by 13% for the 2 months period to November 2023 since the end of Q1FY24
- Disciplined retail trade inventory management sets the platform for a strong end to Q2FY24

Spacetalk Limited (ASX: SPA) ("Spacetalk" or "the Company") is pleased to announce strong results achieved during the key Black Friday and Cyber Monday trading periods. This is a key period for Spacetalk device sale leading into the vital gifting Christmas period.

Spacetalk device sales volume increases 16% during the key Black Friday and Cyber Monday period

Spacetalk experienced a strong Black Friday and Cyber Monday² sales period with volume sold through to consumers +16% v pcp across our Retail and eCommerce channels. Spacetalk continues to outperform the overall category in a challenging market as continue to cement

¹ Sell out refers to the end consumer purchase of Spacetalk wearables from Spacetalk e-commerce channels and from Spacetalk distribution partners

² This refers to the trading period 20 November to 3 December 2023

itself as the market leader across the Australian wearables landscape. This signals our strategy resonates with consumers during one of our most important sales periods.

The successful launch of Loop and seasonal Adventurer bundle earlier in Q2 played a pivotal role in expanding Spacetalk's product offering at the entry and premium ends of our portfolio.

Strong Spacetalk Mobile (MVNO) subscriber growth

Black Friday and Cyber Monday's strong sell out performance sets the foundation for overall Q2FY24 subscriber growth. The Company expects the Black Friday and Cyber Monday sell out to translate into MVNO subscribers during the traditional high activation December month, and the impact of the soft locking of the Loop product to our network. Despite the delay in activating devices until the December Christmas period, Spacetalk recorded 13% growth in subscribers during the Q2FY24 period to date ended 30 November 2023 since the end of Q1FY24.

This strong wearable growth, coupled with Spacetalk's entry into the handset market as flagged in the market announcement on 13 December 2023, positions the company to further grow subscribers and annual recurring revenue (ARR) in the future.

Strategy update

Spacetalk is well progressed in the execution of the strategy that was communicated in May 2023. During Q2FY24, the following initiatives have been successfully delivered:

- Launch of the Loop product
- Launch of the Family App
- Release of the updated Schools App
- Entry into the New Zealand retail market
- Introduction of handset mobile plans

The execution of these strategic initiatives demonstrates significant progress in Spacetalk's plan to create a connected ecosystem of family safety products and services.

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

"Spacetalk continues to execute its strategy and I am very pleased to report the strong performance recorded during this crucial trading period reflecting the strength of our Spacetalk Mobile product. In a market where demand is impacted by external environment, Spacetalk has demonstrated our ability to grow sales and continue to strengthen our position as the market leader across the Australian wearables landscape. The strength of our Spacetalk Mobile product suite offering is a key driver to the delivery of our stated target of \$20 - \$25 million in Rate of Return (ARR) over the three 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/

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