

ASX Announcement | 31 May 2024
Spacetalk Limited (ASX:SPA)

Spacetalk Leads European Market Reentry with Finnish Telecom Giant

Highlights:

- Spacetalk announces a pivotal distribution agreement with Finland's leading mobile operator, Elisa, marking a strategic re-entry into the European market. This retail partnership will see Spacetalk's *Adventurer 2* and *Loop* products available in 67 Elisa stores and online, with presales already underway aiming for a launch in June 2024.
- The term of the agreement is ongoing, and Elisa will have a 12-month exclusive in the Finnish telco retail market.
- Initial stock intake will be 1600 Spacetalk devices with annual unit sales estimated at 5000 per annum.
- This move is not only set to generate significant hardware revenue but also provides the foundations for establishment of a steady stream of monthly recurring subscription income as product sales eventuate. Initial stock shipments are already enroute from Spacetalk's Australian facility to Finnish distribution centres, aligning with local promotions and ensuring market compliance.
- This Finnish launch spearheads Spacetalk's carefully orchestrated plan for international expansion, poised to bolster the group's revenue through both device sales and subscription services. The company views this as a replicable model for further expansion into other markets.

About the Expansion:

Spacetalk Limited (ASX: SPA) ("Spacetalk" or "the Company") Spacetalk is excited to re-enter the lucrative European market, starting with a partnership with Elisa. This initial step is part of a methodical expansion strategy designed to tap into markets that offer both immediate revenue opportunities and align with our operational goals.

Finland was selected as the launch point due to the strong market fit for Spacetalk's products and Elisa's extensive distribution network. Our aim is to establish a scalable, replicable business model that enhances both device margins and recurring revenue.

Following a strategic pause in international activities in 2023 to refine our business approach and cost structure, Spacetalk is now poised to implement our growth strategies abroad. We are committed to leveraging this Finnish venture as a template for future market entries.

Finnish statistics indicate that the addressable market of 5-18-year-olds for Spacetalk devices and software is approximately 0.9m. When combined with the wider Nordic region to include potential target markets such as Denmark, Norway, Sweden and Iceland the additional addressable target market for device and app sales is attractive. While the precise revenue contribution from this expansion is not quantifiable, the strategic importance and potential are evident.

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

"The Finnish market reentry with Elisa is a significant milestone in Spacetalk's journey towards expanding our international footprint. After recalibrating our strategy in 2023, we are now leveraging established relationships and a robust business model to ensure profitable growth. The immediate positive impact on our recurring revenue streams underscores the effectiveness of our new market approach".

Further details and updates on our international expansion will be shared in upcoming market communications.

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

For further information, please contact:

Spacetalk Limited (ASX:SPA)

Simon Crowther

CEO and Managing Director

E: investors@spacetalk.co

About Spacetalk Limited (ASX:SPA)

Spacetalk Limited (ASX:SPA) is a hardware enabled MVNO and software subscription services business focused on providing an ecosystem of interconnected family safety products. 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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