Spacetalk Limited
Appendix 4E
Preliminary Final Report for the year ended 30 June 2025

1. Company Details

Name of entity	**Spacetalk Limited**
ACN	091 351 530
Reporting period	Year ended 30 June 2025
Previous period	Year ended 30 June 2024

2. Results for Announcement to the Market

		2025	2024	Change
Revenues from ordinary activities ($'000)	Up	19,609	17,480	12.2%
Loss from ordinary activities after tax attributable to owners of Spacetalk Limited ($'000)	Down	(4,544)	(5,696)	(20.2%)
Loss for the year attributable to owners of Spacetalk Limited ($'000)	Down	(4,544)	(6,236)	(27.1%)

Dividends

There were no dividends paid, recommended or declared during the current or previous financial periods.

Comments

Spacetalk Limited grew revenue by 12.2% to $19.6 million in FY25 (FY24: $17.5 million), led by recurring mobile subscriptions and device sales. The statutory net loss after tax attributable to shareholders reduced to $4.5 million (FY24: loss of $6.2 million) due to higher gross profit and operating efficiencies, despite increased investment in product development and international expansion. No dividend was declared for the year.

3. Net Tangible Liabilities

	Reporting Period (cents)	Previous Period (cents)
Net tangible liabilities per ordinary security	(5.8)	(14.1)

4. Control Gained Over Entities

Not applicable. No control gained over any entities during the period.

5. Loss of Control Over Entities

Not applicable. No loss of control over any entities during the period.

6. Dividends

There were no dividends paid, recommended or declared within the reporting or previous periods.

7. Dividend Reinvestment Plans

Not applicable.

8. Details of Associates and Joint Venture Entities

Not applicable. Spacetalk Limited had no associates or joint ventures during the reporting period.

9. Foreign Entities

The Group includes subsidiaries incorporated in the United States, the United Kingdom and New Zealand. Please refer to Note 24 of the financial statements.

The consolidated financial statements are prepared in accordance with Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). No separate accounting policies or reconciliations to foreign accounting standards have been required for these subsidiaries.

10. Audit Qualification or Review

The Audit Report is unmodified and contains a Material Uncertainty Related to Going Concern paragraph.

11. Attachments

The Annual Report of Spacetalk Limited for the year ended 30 June 2025, including the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

12. 2025 Annual General Meeting

The Company advises that the 2025 Annual General Meeting is expected to be held on Thursday, 20 November 2025. Further details relating to the meeting and how shareholders may participate will be advised in the Notice of Meeting, which will be made available to all shareholders and lodged with the ASX.

In accordance with the Company's constitution and ASX Listing Rule 3.13.1, the closing date for receipt of nominations of persons to be considered for election as a director at the AGM is 5.00pm (Sydney Time) on Thursday, 2 October 2025.

Corporate Directory

Registered Office	Level 2 104 Frome Street Adelaide SA 5000, Australia
Principal place of business	Level 2 104 Frome Street Adelaide SA 5000, Australia **Email:** investors@spacetalk.co
Share Registry	Boardroom Pty Ltd Level 8, 210 George Street, Sydney NSW 2000, Australia **Telephone:** 1300 737 760 **Overseas Callers:** +61 2 9290 9600 **Email:** enquiries@boardroomlimited.com.au
Auditor	RSM Australia Partners
Stock Exchange listing	Spacetalk Ltd shares are listed on the Australian Securities Exchange (ASX code: **SPA**)
Website	https://spacetalk.co https://investorhub.spacetalk.co

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group or Company') consisting of Spacetalk Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

DIRECTORS

The following persons were directors of Spacetalk Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Georg Chmiel - Chair
- Michael Rann
- Simon Crowther
- Martin Pretty

PRINCIPAL ACTIVITIES

Spacetalk Limited is a software services and wearables hardware product developer. As a package, our technology platform provides a complete digital communication solution that supports safety and security for families across their life stages and for employees working in remote settings. Our 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 SaaS Spacetalk App can be customised, giving clients the ability to enable or disable individual features. Parents are empowered to block their kids access to the open internet, social media, and inappropriate adult content while simultaneously blocking calls and messages from unknown senders. The app can also monitor the location of vulnerable family members, including children and seniors, bringing enhanced peace of mind for the entire family.

DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

Information on Directors

As of the date of this report

GEORG CHMIEL

Independent Non-Executive Chair

MBA (INSEAD), Master equiv. in Computer Science (Technical University of Munich), FAICD, ICDM(F)

Georg is a business leader, company director and senior advisor with more than 3 decades of experience in rapidly growing companies and disruptive technologies. Georg has strong knowledge of the capital markets and technology business expertise with extensive global exposure in Asia, Australia, New Zealand, and Europe.

Georg is currently Non-Executive Chair and Co-Founder of Juwai-IQI, ASEAN's leading prop-tech group. He is also a Non-Executive Chair of Centrepoint Alliance (ASX: CAF), Non-Executive Director of Kinatico (ASX: KYP) and Xamble Ltd (ASX:XGL).

Former directorships (last 3 years):	Non-Executive Director of Proptech Group (ASX: PTG), BUTN (ASX:BTN) and Executive Chair of iCar Asia (ASX:ICQ)
Frist Appointed:	1 July 2022
Special responsibilities:	Member of the Audit and Risk Committee Member of the Remuneration and Nomination Committee
Interests in shares:	1,774,034 shares (directly and indirectly held)
Interests in options	600,379 Listed options (directly and indirectly held)
Interests in rights:	Nil performance rights

HON MIKE RANN, AC CNZM

Independent Non-Executive Director

Master's degree in politics (University of Auckland)

Mike was Premier of South Australia for almost ten years from 2002 to 2011. While Premier, he also served as Minister for Economic Development, the Arts, Sustainability and Climate Change and Social Inclusion. In late 2012 Mike was appointed as Australian High Commissioner to the United Kingdom and was a Governor of the Commonwealth Secretariat. In 2014 he was appointed as Australia's Ambassador to Italy, San Marino, Albania and Libya, and Permanent Representative to the UN's World Food Programme and to the Food and Agricultural Organisation. In the 2016 Australia Day Honours List he was appointed as a Companion of the Order of Australia (AC). Mike was Chair of the Power of Nutrition (UK) between 2017 and 2022 and was also an Independent Director of Health House International (Australia) until 2023.

Other current directorships:	Mike is currently the UK and Global Chair of the Climate Group. He is Chair of the South Australia Film Corporation, CEO of Rann Strategy Group and Adjunct Professor at the University of Technology Sydney.
Former directorships (last 3 years):	Mike was Chair of the Power of Nutrition (UK) between 2017 and 2022 and was also an Independent Director of Health House International (Australia) until 2023.
First Appointed:	1 July 2022
Special responsibilities:	Chair, Remuneration and Nomination Committee Member, Audit and Risk Committee
Interests in shares:	87,029 shares (directly and indirectly held)
Interests in options:	15,889 options (directly and indirectly held)
Interests in rights:	88,245 performance rights

SIMON CROWTHER

CEO and Managing Director

BA (Hons) Business Studies & Media from Leeds University (UK) and Master of Business & Enterprise from the University of Melbourne.

Simon Crowther is a serial entrepreneur and CEO with over 20 years of commercial success rooted in the technology sector in the UK, US, Cananda and Australia. Simon had his first profitable exit in 2000 which paved the way for increased leadership roles and exits in subsequent years. He is comfortable at transitioning businesses at different operating stages and leading teams from startup, scale up and turnaround across international markets.

Simon was CEO with AirMap, Managing Director with Yamaha Motor Ventures & Laboratory Silicon Valley and CEO of Nearmap, which he built from a start up into a leading spatial data business. He devised the core subscription model that delivered exponential growth for shareholders, culminating in a $1B+ acquisition.

Other current directorships:	Dubber Corp Ltd (ASX DUB)
Former directorships (last 3 years):	None
Interests in shares:	1,292,334 shares (directly and indirectly held)
Interests in options:	103,610 options (directly and indirectly held)
Interests in rights:	1,000,000 performance rights

MARTIN PRETTY

Independent Non-Executive Director

Bachelor of Arts (Honours) from The University of Melbourne

Graduate Diploma of Applied Finance from Finsia

CFA charter holder

Graduate of the Australian Institute of Company Directors

Martin brings over 24 years of experience in the investment and financial services industry and has had deep involvement over that time in investing in and supporting growing Australian technology businesses. Martin currently manages a boutique investment business and was previously an investment manager with Thorney Investment Group and held management roles at ASX-listed companies Hub24, Bell Financial Group and IWL Limited. Martin also previously worked as a finance journalist with The Australian Financial Review.

Other current directorships:	Non-executive chairman of ASX-listed home security technology company Scout Security (ASX: SCT), and a non-executive director of ASX-listed financial services group Centrepoint alliance (ASX: CAF).
Former directorships (last 3 years):	None
Special responsibilities:	Chair, Audit and Risk Committee Member, Remuneration and Nomination Committee
Interests in shares:	1,021,779 shares (directly and indirectly held)
Interests in options	312,252 options (directly and indirectly held)
Interests in rights:	Nil performance rights

COMPANY SECRETARY

Hasaka Martin, the founder of Singleton Co Sec, has over 15 years of experience working with listed companies across various industries. He has held in-house roles and has also worked with several corporate service providers. Hasaka is an appointed Company Secretary for several listed entities and is a Fellow of the Governance Institute of Australia. He is also a Chartered Secretary and holds postgraduate qualifications in corporate and securities law.

MEETINGS OF DIRECTORS

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Georg Chmiel	9	9	3	3	3	3
Michael Rann	9	9	3	3	3	3
Simon Crowther	9	9	-	-	-	-
Martin Pretty	9	9	3	3	3	3

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Directors' declaration

The directors of the company declare that, in the opinion of the directors:

(a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including

   (i) giving a true and fair view of the financial position and performance of the consolidated entity; and
   (ii) complying with Australian Accounting Standards, including the Interpretations, and the Corporations Regulations 2001;

(b) the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1; and

(c) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

(d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

____

Georg Chmiel
Chair

29 August 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Spacetalk Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Spacetalk Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2025, and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including independence standards*) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the financial report, which indicates that the Group incurred a net loss of $4,544,000 and from operating and investing activities of $2,681,000 and $1,658,000 respectively for the year ended 30 June 2025. As of that date, the Group's current liabilities exceeded its current assets by $3,664,000, the Group's total liabilities exceeded its total assets by $4,263,000. As stated in Note 3.2, these events or conditions, along with other matters as set forth in Note 3.2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Recognition of Revenue - Refer to Note 5 in the financial statements	
The Group generates revenue from multiple sources, including: • Sale of goods (devices). • App subscriptions. • Mobile Virtual Network Operator ("MVNO") subscriptions. • School messaging services. Revenue recognition was considered a key audit matter due to the complexity of the Group's revenue streams and the significant judgements required in applying **AASB 15 Revenue from Contracts with Customers**. These judgements include: • Identification and assessment of performance obligations within contracts. • Determining whether performance obligations are satisfied over time or at a point in time. • Appropriate allocation of transaction prices in multi-element arrangements (e.g. bundled delivery of goods and services). • Estimation of rebates and other discounts offered to customers.	Our audit procedures in relation to the recognition of revenue included, among others: • Obtained a detailed understanding of each of the revenue streams and the process for calculating and recording revenue under AASB 15. • Assessed whether the Group's revenue recognition policies were in compliance with Australian Accounting Standards. • Carried out tests of controls over occurrence, completeness and accuracy of revenue, to test the design, implementation and operating effectiveness of controls over the revenue cycle. • Reviewed significant customer contracts and assessing whether the Group's revenue recognition policies was in compliance with Australian Accounting Standards, including AASB 15. • Performed substantive testing on a sample basis to assess the occurrence, accuracy, completeness and cut-off of revenue, including agreeing selected transactions to sales invoices, proof of delivery, external sales reports, and other supporting documentation, depending on the nature of the revenue streams. • Evaluated the adequacy and appropriateness of the disclosures in the financial statements.

Provisions for stock obsolescence - Refer to Note 21 in the financial statements	
The provision for stock obsolescence was considered a key audit matter due to: • The Group's inventory primarily consists of smartwatches. Given the technology-driven nature of the product, there is a risk that stock may become obsolete due to various factors. • Judgement is required on the part of Management when the determining the quantum of the provision for stock obsolescence.	Our audit procedures included, among others: • Understand and evaluating the Group's policy of providing for inventory obsolescence. • Tested inventory costing by verifying the inputs to the costing calculations to supporting documentation. • Evaluated management assumptions and estimates applied to the provision for obsolescence through analysis of historical sales levels by inventory product from the date the product was purchased in conjunction with assessing the quantity of products on hand relative to sales. • Verified that inventories are being held at the lower of cost and net realisable value. • Reviewed inventory movement reports to identify obsolete and slow-moving inventory. Evaluated the adequacy and appropriateness of the disclosures in the financial statements.
Share Base Payments - Refer to Note 13 in the financial statements	
The share base payment was considered a key audit matter due to: • the complexity of the accounting required to value the instruments. • the judgmental nature of inputs into the valuation models, including the likelihood of vesting conditions being met, and the appropriate valuation methodology to apply. • the non-routine nature of the transactions. • The impact of the 10-to-1 share consolidation on the disclosures in the financial statements.	Our audit procedures included, among others: • Made enquiries with management to understand the share-based payment transactions. • Reviewed the terms and conditions of performance rights and options issued. • Reviewed the valuation methodology to evaluate compliance with AASB 2. • Tested the number performance rights and options issued per the Company's records were in agreement with the ASX announcements and other related documents. • Reviewed management's accounting treatment to ensure it is in compliance with AASB 2. Reviewed the adequacy of the relevant disclosures in financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf This description forms part of our auditor's report.

RSM

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 23 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Spacetalk Limited., for the year ended 30 June 2025, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

GNS

Gary Sherwood
Partner

RSM Australia Partners

Sydney, NSW
Dated: 29 August 2025

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Spacetalk Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

GNS

Gary Sherwood
Partner

Sydney, NSW
Dated: 29 August 2025

REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the Director's report, details the nature and amount of remuneration for each Director and other Key Management Personnel of Spacetalk Limited. The information provided in the remuneration report includes remuneration disclosures that are audited as required by section 308(3C) of the Corporations Act 2001.

For the purposes of this report, Key Management Personnel of the group are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

In respect of the remuneration numeration report, last voted upon by shareholders at the 2024 Annual General Meeting (AGM), less than 25% of the votes were cast against this resolution.

Key management personnel included in this report include:

Non-executive and executive directors:

- **Georg Chmiel**
- **Michael Rann**
- **Simon Crowther**
- **Martin Pretty**

Other key management personnel:

- **Craig Boshier** – Chief Operating Officer
- **Gerard Beukes** – Chief Financial Officer (until 13 April 2025)
- **Innocent Ndoda** – Chief Financial Officer (appointed 14 April 2025)

Principles used to determine the nature and amount of remuneration

REMUNERATION POLICY

The board policy is to remunerate directors at market rates for time, commitment, and responsibilities. The board determined payments to directors and reviews their remuneration annually, based on market practice, duties, and accountability. Independent external advice is sought when required. The maximum aggregate amount of Directors' fees that can be paid is subject to approval by shareholders in general meeting, from time to time. To align Directors' interests with shareholders' interests, the Directors are encouraged to hold shares in the Company.

The Directors and full-time executives receive a superannuation guarantee contribution as required by law, currently 11.5%. The CEO and full-time executives do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed.

Where necessary, the Board seeks independent third-party expert advice on its remuneration policies and has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity. No experts were used during the year.

REMUNERATION STRUCTURE

In accordance with best practice corporate governance, the structure of non-executive Director and executive compensation is separate and distinct.

NON-EXECUTIVE DIRECTOR COMPENSATION

Objective

The board seeks to set aggregate compensation at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX listing rules specify that the aggregate compensation of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed.

The amount allocated for non-executive directors, as approved by the shareholders, remains at $500,000—unchanged from the previous year.

The Board considers advice from external consultants as appropriate as well as the fees paid to non-executive Directors of comparable companies when undertaking the annual review process. Non-Executive Directors' remuneration may include an incentive portion consisting of performance rights, as considered appropriate by the Board, which may be subject to Shareholder approval in accordance with ASX listing rules.

Separate from their duties as Directors, the Non-Executive Directors may undertake work for the Company directly related to the evaluation and implementation of various business opportunities, including information / evaluation and new business ventures, for which they receive a daily rate. These payments are made pursuant to individual agreements with the non-executive Directors and are not taken into account when determining their aggregate remuneration levels.

EXECUTIVE COMPENSATION

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for Company and individual performance against targets set by appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards

Structure

In determining the level and make-up of executive remuneration, the Board negotiates remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Remuneration is periodically compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

Remuneration consists of a fixed remuneration and a long-term incentive portion as considered appropriate. Compensation may consist of the following key elements:

- Fixed compensation;
- Variable compensation;
- Short Term Incentive (STI); and
- Long Term Incentive (LTI).

LONG TERM INCENTIVES

The objective of long-term incentives is to reward Directors and executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of objectives related to the Directors' or executives' job responsibilities. The objectives vary, but all are targeted to related directly to the Company's business and financial performance and thus to shareholder value.

Long term incentives (LTIs) granted to Directors or executives are delivered in the form of performance rights. These rights are granted subject to pre-determined performance hurdles determined at the time of issue.

The objective of the granting of performance rights is to reward Executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. As such LTI's are made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance.

Typically, the grant of LTIs occurs at the commencement of employment, at bi-annual performance reviews, or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time.

Details of remuneration

EMPLOYMENT CONTRACTS OF DIRECTORS AND SENIOR EXECUTIVES

The employment arrangements of the Directors are documented through agreements.

DETAILS OF REMUNERATION FOR YEAR

The following persons were Directors of Spacetalk Limited during the financial year:

Georg Chmiel	Director (Non-executive)
Michael Rann	Director (Non-executive)
Simon Crowther	Executive Managing Director and CEO
Martin Pretty	Director (Non-executive)

EXECUTIVES

In addition to the Managing Director and CEO, there were three other key management personnel:

Craig Boshier – Chief Operating Officer

Gerard Beukes – Chief Financial Officer (until 13 April 2025)

Innocent Ndoda – Chief Financial Officer (appointed 14 April 2025)

TERMS OF EXECUTIVE KMP

Remuneration and other terms of employment for the Executive KMP are formalised in service agreements. Each of these agreements can provide for the provision of STI, eligibility for the Spacetalk LTIP and may include other competitive benefits. All employment agreements are unlimited in term but capable of termination at agreed notice by either the Company or the Executive KMP. The Company can make a payment in lieu of notice. The notice period for each Executive KMP is listed in the table below. In the event of retrenchment, each of the Executive KMP listed in the table below is entitled to the payment provided for in the service agreement. The employment of the Executive KMP may be terminated by the Company without notice by payment in lieu of notice. Upon termination of employment, the Board exercises its discretion on payment of a pro-rata STI entitlement and early vesting of any unvested LTI held by the Executive KMP. The service agreements also contain confidentiality and restraint of trade clauses. The provisions of the agreements relating to notice period and remuneration are listed in the table below.

	Term of agreement and notice period (1)	**Total Fixed Remuneration (2)**	**Termination payments (3)**
Simon Crowther	6 months	401,400	6 months
Craig Boshier	3 months	334,500	3 months
Innocent Ndoda	3 months	334,500	3 months

(1) Notice applies to either party.

(2) Annual base salaries and superannuation

(3) Base salary payable if the Company terminates employee with notice, and without cause.

(4) The super guarantee (SG) rate will increase to 12% on 1 July 2025

THE RELATIONSHIP BETWEEN THE REMUNERATION POLICY AND COMPANY PERFORMANCE

				Restated	
	30/6/2025	**30/06/2024**	**30/06/2023**	**30/06/2022**	**30/06/2021**
Revenue ($'000) [1]	19,609	17,480	13,455	14,879	15,122
Net profit/(loss) before tax ($'000) [1]	(4,544)	(5,696)	(10,814)	(5,703)	(2,436)
Net profit/(loss) after tax ($'000) [1]	(4,544)	(5,696)	(11,064)	(6,323)	(1,780)
Share price at start of year (cents)	0.017	0.027	0.06	0.16	0.14
Share price at end of year (cents)	0.015	0.017	0.027	0.06	0.16
Interim Dividend	-	-	-	-	-
Final Dividend	-	-	-	-	-
Basic earnings/(loss) cents per share from continuing operations	(7.40)	(13.25)	(42.90)	(35.08)	(10.15)
Diluted earnings/(loss) cents per share from continuing operations	(7.40)	(13.25)	(42.90)	(35.08)	(10.15)

Key Notes

1. Revenue from continuing operations presented.
2. EPS calculation presented on post consolidation basis for FY21 to FY24 periods.

Details of the remuneration of each Director and named executive officer of the Company, including their personally related entities during the year was as follows:

2025	Short term – Salary & Fees $	Post employment - Superannuation $	Benefits& Entitlements $	Termination payment $	Share-based payment (i) $	Total $
Directors						
Georg Chmiel	76,314	-	-	-	21,179	97,493
Michael Rann	41,388	4,760	-	-	14,119	60,267
Simon Crowther	365,077	41,984	30,114	-	191,894	629,069
Martin Pretty	42,751	4,916	-	-	14,119	61,786
Other Key Management						
Craig Boshier	304,231	34,987	282	-	49,846	389,346
Gerard Beukes	319,000	-	-	-	-	319,000
Innocent Ndoda	65,000	7,475	-	-	-	72,475
	1,213,761	94,122	30,396	-	291,157	1,629,436

(i) Directors performance rights were rights that could be converted to shares immediately. Therefore the value of each right is the share price of the date of issue.

2024	Short term – Salary & Fees $	Post employment - Superannuation $	Benefits & Entitlements $	Termination payment $	Share-based payment $	Total $
Directors						
Georg Chmiel	70,000	-	-	-	4,545	74,545
Michael Rann	28,392	3,123	-	-	3,030	34,545
Simon Crowther	371,477	27,399	27,691	-	175,743	602,310
Saurabh Jain	11,728	1,201	-	-	3,030	15,959
Martin Pretty	30,000	3,300	-	-	(22,788)	10,512
Brandon Gien	11,029	1,213	-	-	(38,857)	(26,615)
Other Key Management						-
Craig Boshier	305,724	27,399	22,499	-	179,320	534,942
Gerhard Beukes	140,250	-			-	140,250
Tonderai Maenzanise	232,489	20,299			5,250	258,038
Susan Graney	13,931	6,850	-	76,154	-	96,935
	1,215,020	90,784	50,190	76,154	309,273	1,741,421

For commencement and termination dates refer to Directors report in the FY24 and FY25 annual reports.

2025	Georg Chmiel	Michael Rann	Simon Crowther	Martin Pretty
Fees paid to related entities (iv)	-	-	-	-

2024	Georg Chmiel	Michael Rann	Simon Crowther	Saurabh Jain	Martin Pretty	Brandon Gien	Mark Fortunatow
Fees paid to related entities (iv)	-	-	-	-	-	-	-

Share-based compensation

(1) All outstanding rights from previous plans either vested and were exercised or lapsed by 30 June 2025.
(2) No loans were provided to key management personnel during the financial year.
(3) All performance rights granted to KMP in prior years were subject to pre-determined performance and/or employment vesting conditions as set out in prior annual reports and Notice of Meeting disclosures. For prior-year grants, refer to disclosure of grant and vesting terms in Remuneration Report FY24 and 2024 Notice of Meeting.

The following table outlines the fully paid ordinary shares held by key management personnel in Spacetalk Ltd.

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2025, on post consolidation basis, are set out below:

Name	**Balance at 1 July**	**Granted as compensation**	**Received on exercise of rights**	**Additions (1)**	**Consolidation (2)**	**Balance at 30 June**
2025	**#**	**#**	**#**		**#**	**#**
Georg Chmiel	13,500,000	-	1,323,664	2,916,667	(15,966,297)	1,774,034
Michael Rann	709,716	-	-	160,569	(783,256)	87,029
Simon Crowther	4,136,364	-	7,103,077	935,829	(10,882,936)	1,292,334
Martin Pretty	7,515,395	-	100,606	1,700,312	(8,294,534)	1,021,779
Craig Boshier	3,534,650	-	6,230,769	-	(8,788,877)	976,542
	29,392,125	-	14,758,116	5,713,377	(44,711,900)	5,151,718

Notes

1. Additions reflect the share subscription offer by the respective directors during the entitlement offers in FY25.
2. Consolidation captures the consolidation impact (10-to-1).

Name	**Balance at 1 July**	**Granted as compensation**	**Received on exercise of rights**	**Additions**	**Disposal/Other**	**Balance at 30 June**
2024	#	#	#	#		#
Georg Chmiel	3,634,847	-	239,234	9,625,919	-	13,500,000
Michael Rann	393,018	-	159,490	157,208	-	709,716
Simon Crowther	-	-	3,000,000	1,136,364	-	4,136,364
Saurabh Jain	1,385,455	-	159,490	1,136,364	-	2,681,309
Martin Pretty	2,810,015	-	159,490	4,545,890	-	7,515,395
Brandon Gien	2,117,187	-	159,490	2,300,000	-	4,576,427
Craig Boshier	-	-	1,500,000	2,034,650	-	3,534,650
Tonderai Maenzanise	-	-	250,000	-	(250,000)	-
	10,340,271	-	5,627,194	20,936,395	(250,000)	36,653,861

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Balance at 1 July	New options Issued in FY25	Reduction	Net other change	Balance at 30 June	Balance vested and exercisable
2025	#	#	#	#	#	#
Georg Chmiel	6,212,120	1,458,334	(1,666,666)	(5,403,409)	600,379	600,379
Michael Rann	253,604	80,285	(175,000)	(143,000)	15,889	15,889
Simon Crowther	568,182	467,915	-	(932,487)	103,610	103,610
Martin Pretty	3,209,835	850,156	(936,363)	(2,811,265)	312,363	312,363
Craig Boshier	250,000	20,834	-	(225,000)	45,834	45,834
	10,493,741	2,877,524	(2,778,029)	(9,515,161)	1,078,075	1,078,075

The net other captures the consolidation impact (10-to-1). The above options are free attaching options issued as part of the rights issue conducted in FY25.

Name	Balance at 1 July	Granted as compensation	Reduction due to exercise of options	Net other change	Balance at 30 June	Balance vested and exercisable
2024	#	#	#	#	#	#
Georg Chmiel	1,666,666	-	-	4,545,454	6,212,120	6,212,120
Michael Rann	175,000	-	-	78,604	253,604	253,604
Simon Crowther	-	-	-	568,182	568,182	568,182
Saurabh Jain	420,000	-	-	568,182	988,182	988,182
Martin Pretty	936,363	-	-	2,273,472	3,209,835	3,209,835
Brandon Gien	910,172	-	-	1,150,002	2,060,174	2,060,174
Craig Boshier	-	-	-	250,000	250,000	250,000
Tonderai Maenzanise	-	-	-	113,636	113,636	113,636
	4,108,201	-	-	9,547,532	13,655,733	13,655,733

The above options are free attaching options issued as part of the rights issue conducted in FY24.

The following table outlines the performance rights held by the directors and other key management personnel in Spacetalk Limited:

Name	Balance at 1 July	Granted as compensation	Exercise of rights	Lapsed/ Forfeited	Consolidation	Balance at 30 June
2025	#	#	#		#	#
Georg Chmiel	-	1,323,664	(1,323,664)	-	-	-
Micheal Rann	-	882,443	-	-	(794,198)	88,245
Simon Crowther	20,769,231	10,000,000	(7,103,077)	(13,666,154)	(9,000,000)	1,000,000
Martin Pretty	123,610	882,443	(100,606)	-	(905,447)	-
Craig Boshier	12,461,538	-	(6,230,769)	(6,230,769)	-	-
	33,354,379	13,088,550	(14,758,116)	(19,896,923)	(10,699,645)	1,088,245

The vesting of performance rights is tied to achieving specific financial and operational milestones. These conditions include meeting share price targets by set dates, reaching Annual Recurring Revenue (ARR) thresholds, generating positive free cash flow over prescribed periods, and accomplishing defined profit goals and company's strategic objectives for each year. Many awards also require participants, including directors, to remain employed or continue service with the company at the vesting date. Each tranche of rights carries its own detailed conditions, ensuring that awards only vest when measurable performance criteria or continued employment/service requirements are met.

Name	Balance at 1 July	Granted as compensation	Exercise of rights	Forfeited/Lapsed	Balance at 30 June
2024	#	#	#	#	#
Georg Chmiel	-	239,234	(239,234)	-	-
Micheal Rann	-	159,490	(159,490)	-	-
Simon Crowther	-	23,769,231	(3,000,000)	-	20,769,231
Saurabh Jain	-	159,490	(159,490)	-	-
Martin Pretty	375,000	159,490	(159,490)	(251,390)	123,610
Brandon Gien	375,000	159,490	(159,490)	(375,000)	-
Craig Boshier	-	13,961,538	(1,500,000)	-	12,461,538
Tonderai Maenzanise	-	250,000	(250,000)	-	-
	750,000	38,857,963	(5,627,194)	(626,390)	33,354,379

CONCLUDES THE REMUNERATION REPORT, WHICH HAS BEEN AUDITED.

SHARES UNDER OPTIONS

There were 19,165,688 listed options, expiring on 22 September 2025 exercisable at $0.035 per option, on issue as at 30 June 2025.

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

There were 2,022,594 shares issued as exercise of performance rights in the year.

INDEMNITY AND INSURANCE OF OFFICERS

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to ensure the auditor of the company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

NON-AUDIT SERVICES

There were no non-audit services provided during the financial year by the auditor.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM Australia

There are no officers of the company who are former partners of RSM Australia.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

AUDITOR

RSM Australia Partners was appointed as the external auditor on 13 December 2024, replacing William Buck (SA). The appointment remains in effect until the 2025 AGM where shareholders will vote in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors:

GEORG CHMIEL
Non-Executive Chair

29 August 2025

Operational and Financial Review

PRINCIPAL ACTIVITIES

Spacetalk Ltd is Australia's leading provider of connected safety solutions for families, offering an integrated ecosystem of mobile devices, software, and services that deliver peace of mind at every life stage. Our mission is simple yet powerful: to keep families safe, connected, and supported—wherever life takes them. As a package, our technology platform provides a complete digital communication solution that supports safety and security for families across their life stages. Our 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 SaaS Spacetalk App can be customised, giving clients the ability to enable or disable individual features. Parents are empowered to block their kids access to the open internet, social media, and inappropriate adult content while simultaneously blocking calls and messages from unknown senders. The app can also monitor the location of vulnerable family members, including children and seniors, bringing enhanced peace of mind for the entire family.

KEY PERFORMANCE HIGHLIGHTS

Income Statement ($'000)	FY25	FY24
Total income	20,105	17,913
Annual recurring revenue	12,100	9,700
Revenue from continuing operations	19,609	17,480
Revenue growth %	12%	31%
Gross profit from continuing operations	9,726	8,615
Gross margin (%)	50%	49%
Operating expenses from continuing operations	(12,459)	(13,975)
EBITDA from continuing operations [1]	(1,876)	(4,377)
Loss from discontinued operations	-	(540)
Loss after income tax attributable to the owners of Spacetalk	(4,544)	(6,236)

1. Adjusted EBITDA disclosure is in line with AASB18, which dictates disclosure of alternative performance metrics. Adjusted EBITDA is defined as earnings before interest, tax, depreciation, and amortisation ("EBITDA"), further adjusted by adding back or deducting specific items that are considered non-operational, infrequent, or non-cash, such as restructuring costs, impairment charges, or other one-off income/expenses. In our case, adjusted EBITDA excludes fair value of derivatives, share based payments and costs related to debt restructuring. Management believes that this adjusted EBITDA is transparent and linked to corporate strategy.

Adjusted EBITDA reconciliation	FY25	FY24
Loss from continuing operations before income tax	**(4,544)**	**(5,696)**
Depreciation and amortisation expense	1,442	912
Interest expense	458	577
Loss/(gain) on fair value of derivatives	407	(720)
Share based payments	361	358
Costs relating to debt restructuring	-	192
Adjusted EBITDA	**(1,876)**	**(4,377)**

FINANCIAL PERFORMANCE

The 2025 financial year marks a further step in the strategic transformation of Spacetalk. Total revenue from continuing operations was $19.6m, representing growth of 12% year-on-year (FY24: $17.5m). Growth was led by continued expansion in Spacetalk Mobile, along with steady hardware/device sales. Segment momentum was partially offset by an anticipated decline in standalone app revenue as customers migrate to bundled mobile-and-service offerings.

Annual recurring revenue (ARR) increased by 25% vs PCP to $12.1m (FY24: $9.7m), reflecting our focus on building sustainable, high-quality recurring revenue streams across the business. The business continues to prioritise mobile revenue due to its superior unit economics relative to app-only revenue. Mobile subscribers receive app access bundled with their mobile plan, which boosts recurring revenue and improves profitability per customer through higher adoption, retention, and lifetime value. Recurring revenue recognised in FY25 of $11.2m (FY24: $9.2m), represented 57% of total revenue, up from 53% in FY24.

	FY25		FY24	
Segment Performance	**Revenue**	**Gross Profit**	**Revenue**	**Gross Profit**
Spacetalk Mobile	6,957	3,633	4,523	1,984
Apps	2,411	1,687	2,882	2,216
Schools	1,866	1,759	1,830	1,761
Recurring	**11,234**	**7,079**	**9,235**	**5,961**
Devices	8,313	2,587	8,186	2,595
Seniors	62	60	59	59
Total segment revenues	**19,609**	**9,726**	**17,480**	**8,615**

Gross Profit & Margins

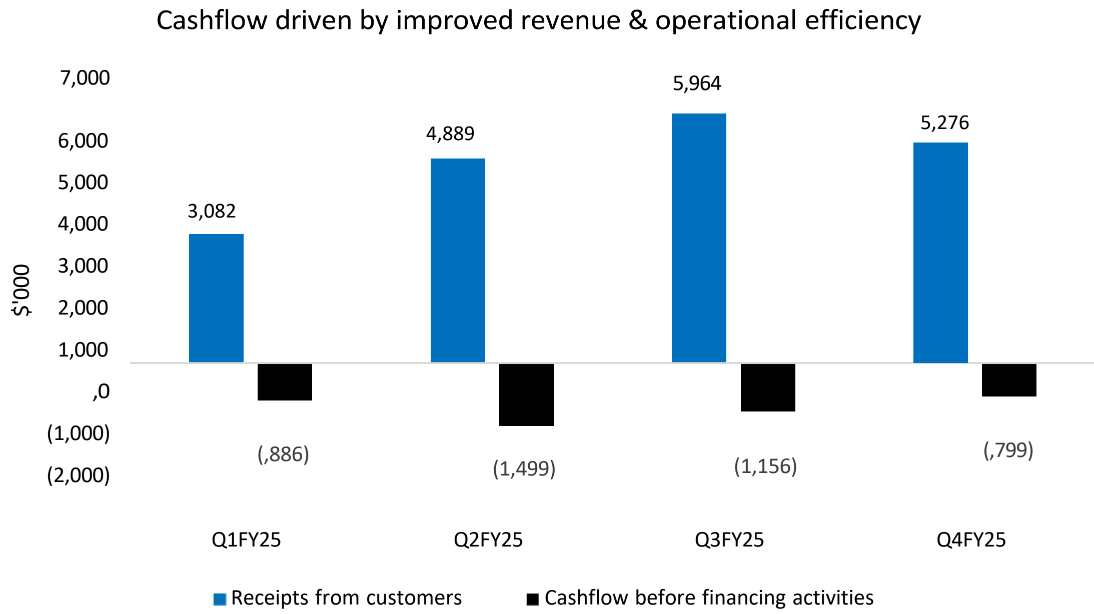
Gross profit improved to $9.7m (FY24: $8.6m), with group gross margin improving slightly to 50% (FY24: 49%).

Operating Expenses

Operating expenses decreased to $12.5m (FY24: $13.9m), a direct result of restructuring and improved operational controls. The net loss after tax for FY25 was reduced to $4.5m (FY24: $6.2m), reflecting progress toward profitability while still funding growth and investment in technology and distribution.

CASH FLOW FOR CONTINUING OPERATIONS

Summary Cashflow Statement ($'000)	FY25	FY24
Cash receipts from customers	19,210	17,420
Cash payments to suppliers, employees	(21,295)	(19,889)
Interest paid	(596)	(369)
Income taxes paid	-	(32)
Net cash used in operating activities	**(2,681)**	**(2,870)**
Purchase of intangible assets	(1,630)	(1,400)
Cash used in investing activities	**(1,658)**	**(1,433)**
Cashflow before financing activities	(4,339)	(4,303)
Cashflow from financing activities	**3,714**	**3,046**
Net decrease (increase) in cash and cash equivalents	(625)	(1,257)
Cash and cash equivalents at year end	**1,149**	**1,770**



Growth in customer receipts - $5.3m in 4Q25 vs PCP (4Q24: $3.9m) - enabled increased operational and revenue expansion, driven by:

- **Recurring Revenue**: FY25 ARR increased to $12.1m (FY24: $9.7m), supporting future cash flows and highlighting the positive impact of our subscription-based strategy.
- **Inventory Management:** FY25 inventory days of 102 (FY24: 129 days) reflected improved management of inventory, freeing up cash.
- **Cost efficiencies:** Operating costs were reduced to $12.5m (FY24:13.9m) resulting in $1.4m in cost savings. This was achieved through focused business process improvements and efficiency initiatives.

GROWTH STRATEGY

Spacetalk’s growth strategy for FY26 and beyond, as outlined, aligns directly with the company's operational and financial data provided in its FY25 statements and reports. Here’s a detailed check and assessment of the key strategic priorities against the actual business positioning, plans, and financial moves:

- **International Expansion:** Focused on expanding into North America and Europe using digital/e-commerce channels and selected local partners.
- **Recurring Subscription Revenue:** Continued prioritisation of high-margin recurring revenues (Mobile Virtual Network Operator (MVNO) and app subscriptions), with the launch of App 2.0 to enhance retention and Average Revenue Per User (ARPU).
- **Integrated Ecosystem:** Hardware, mobile, and Spacetalk App integrated for stronger retention and migration toward broader family solutions, building lifetime value.
- **Product and Technology Investment:** Continued investment in new products (e.g., Adventurer 3) and platform innovation, with a focus on App enhancement and unlocking cross-sell/up-sell.
- **Capital efficiency:** Emphasis on cost optimisation and margin improvement through continuous improvement initiatives.
- **Balance Sheet Strength:** Secured new equity and refinanced principal debt facility to strengthen the foundation and fund flexible, risk-managed growth.

EVENTS AFTER THE REPORTING DATE

Capital Raise

After 30 June 2025 balance date, Spacetalk successfully undertook a significant equity raising to facilitate its growth strategy. On 11 July 2025, the Company secured $3m in capital to fund expansion and new products from Thorney Investment Group (Thorney). The $3m investment by Thorney was in exchange for new unsecured notes that will accrue interest at a rate of 10% per annum, which shall be payable through the issue of shares on a quarterly basis, subject to the receipt of prior shareholder approval. The Converting Notes are otherwise subject to mandatory conversion into Shares on 31 July 2026, subject to shareholder approval.

Borrowing Facility Extension

On 11 July 2025, Pure Asset Management (Pure) agreed to subscribe for 1,000,000 Converting Notes in conversion of $1m in secured debt currently owing by the Company, which will take immediate effect upon the issue of Converting Notes to Pure. Post conversion, the debt facility balance would be $3.6m. Further, Pure committed to the following additional arrangements in respect of its existing secured loan facility:

- a suspension of all capital repayments for the remainder of the 2025 calendar year; and
- an extension of the maturity date of the remaining loan facility by three months to 30 June 2027.

SUMMARY OF KEY BUSINESS RISKS

The Group operates in a highly competitive and rapidly changing sector, which provides both opportunities and challenges. While some of these challenges and risks may be out of the Group's control, we have made, and continue to make investments in our risk management and control frameworks to ensure we can respond to and mitigate the impact of these risks as they arise, whether they result from regulatory changes, shifts in the competitive environment, or other circumstances over which the Group has no control.

MATERIAL RISK AREAS	WHAT WE ARE DOING TO MANAGE THE RISK
Capital and funding Challenges in securing sufficient debt and equity funding could impact our ability to effectively execute our strategy.	• Regular communications and close relationship with debt funder. • Close management of cash flow. • Actively engaging with shareholders and the broader equity market.
Strategic Staying responsive to shifts in the competitive landscape is essential. Ensuring our strategic actions are well-aligned with these changes will help maintain our market position.	• Regular discussions of strategy and strategic initiatives with the Board. • Periodic measurement of results against targets. • Strengthen capability with experts who possess a good command of the environment.
Technology Underinvesting in developing and maintaining systems which support innovation and growth.	• Clear definition of technology roadmap. • Understanding changing customer needs and responding with the necessary technology improvements.
People Attracting and retaining staff who align with our culture and can drive innovation and customer-focused solutions.	• Remuneration and benefits structure to retain and attract top talent. • Clear and consistent on our culture and values.
Macroeconomic Staying attuned to broader economic and retail trends is important to ensure our strategy remains relevant and effective.	• Analyse and monitor economic and retail conditions, at a minimum, to identify shifts and take steps to manage potential impacts.
Environment and climate: Proactively understanding and addressing environmental risks and impacts will be vital to our long-term sustainability.	• Review processes and practices to reduce impact on the environment. • Develop reporting on our environmental footprint.

Spacetalk Limited

ABN 93 091 353 530

Consolidated Annual Financial Statements
for the year ended 30 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Figures in $ `000	**Notes**	**2025**	**2024**
Revenue from continuing operations	5	19,609	17,480
Cost of sales	7	(9,883)	(8,865)
Gross profit		**9,726**	**8,615**
Other income	6	**496**	**433**
Expenses from continuing operations			
Allowance for expected credit loss		(315)	(117)
Corporate and administration		(4,156)	(3,716)
Advertising and marketing		(1,825)	(1,391)
Employee benefits expense		(6,513)	(8,415)
Impairment of assets		(27)	(29)
Cost relating to debt restructuring		-	(192)
Profit/(Loss) on foreign exchange		377	(114)
Total expenses from continuing operations		**(12,459)**	**(13,974)**
Loss from continuing operations before depreciation and amortisation, interest and income tax expense		**(2,237)**	**(4,926)**
Depreciation and amortisation expense	7	(1,442)	(912)
Loss from continuing operations before interest and income tax expense		**(3,679)**	**(5,838)**
Finance (costs)/income	8	(865)	143
Loss from continuing operations before income tax expense		**(4,544)**	**(5,696)**
Income tax expense	9	-	-
Loss after income tax expense from continuing operations		**(4,544)**	**(5,696)**
Loss after income tax expense from discontinued operations	23	-	(540)
Loss after income tax expense for the year attributable to the owners of Spacetalk Limited		**(4,544)**	**(6,236)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(434)	(108)
Other comprehensive loss for the year, net of tax		**(434)**	**(108)**
Total comprehensive loss for the year attributable to the owners of Spacetalk Limited		**(4,978)**	**(6,344)**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Figures in $ `000	Notes	2025	2024
Total comprehensive loss for the year is attributable to:			
Continuing operations		(4,978)	(5,804)
Discontinued operations	23	-	(540)
		(4,978)	**(6,344)**
Earnings per share from continuing and discontinuing operations attributable to owners of Spacetalk Limited			
Basic and diluted earnings per share (cents)			
Basic and diluted loss per share from continuing operations	10	(7.40)	(13.25)
Basic and diluted loss per share from discontinuing operations	10	-	(1.26)
Total basic and diluted loss per share		**(7.40)**	**(14.50)**

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the attached notes.

Consolidated Statement of Financial Position as at 30 June 2025

Figures in $ `000	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	19	1,149	1,770
Trade and other receivables	20	1,563	831
Inventories	21	1,692	1,517
Other current assets	22	1,416	966
Total current assets		**5,820**	**5,084**
Non-current assets			
Property, plant and equipment	25	118	112
Right-of-use assets	26	101	198
Intangible assets	27	2,561	2,193
Total non-current assets		**2,780**	**2,503**
Total assets		**8,600**	**7,587**
Liabilities			
Current liabilities			
Trade and other payables	30	4,267	2,829
Contract liabilities	31	2,262	2,053
Provisions	32	789	918
Derivative liabilities	33	826	419
Lease liabilities	34	40	129
Borrowings	35	1,300	5,000
Total current liabilities		**9,484**	**11,348**
Non-current liabilities			
Provisions	32	-	22
Lease liabilities	34	79	79
Borrowings	35	3,300	-
Total non-current liabilities		**3,379**	**101**
Total liabilities		**12,863**	**11,449**
Net liabilities		**(4,263)**	**(3,862)**
Equity			
Issued capital	28	45,544	40,802
Accumulated losses		(50,083)	(45,539)
Reserves	29	276	875
Total deficiency		**(4,263)**	**(3,862)**

The above Consolidated Statement of Financial Position should be read in conjunction with the attached notes.

Consolidated Statement of Changes in Equity

Figures in $ `000	Issued capital	Foreign currency translation reserve	Share based payment reserve	Accumulated loss	Total
Balance at 1 July 2023	37,893	154	149	(39,303)	(1,107)
Changes in equity					
Loss for the year	-	-	-	(6,236)	(6,236)
Other comprehensive income	-	(108)	-	-	(108)
Total comprehensive income for the year	-	(108)	-	(6,236)	(6,344)
Transactions with owners in their capacity as owners					
Shares issued	3,389	-	-		3,389
Conversion of rights to shares	120	-	(120)	-	-
Cost of shares issued	(600)	-	377	-	(223)
Shares payable not issued	-	-	65	-	65
Employee rights expense	-	-	358	-	358
Balance at 30 June 2024	**40,802**	**46**	**829**	**(45,539)**	**(3,862)**
Balance at 1 July 2024	40,802	46	829	(45,539)	(3,862)
Changes in equity					
Loss for the year	-	-	-	(4,544)	(4,544)
Other comprehensive income	-	(435)	-	-	(435)
Total comprehensive income for the year	-	(435)	-	(4,544)	(4,979)
Transactions with owners in their capacity as owners					
Shares issued	4,606	-	-		4,606
Conversion of rights to shares	460	-	(460)	-	-
Cost of shares issued	(389)	-	-	-	(389)
Transfer of shared based payment reserve to issued capital	65	-	(65)	-	-
Employee rights expense	-	-	361	-	361
Balance at 30 June 2025	**45,544**	**(389)**	**665**	**(50,083)**	**(4,263)**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the attached notes.

Consolidated Statement of Cash Flows

Figures in $ `000	Notes	2025	2024
Cash flows used in operations			
Cash receipts from customers		19,210	17,420
Cash paid to suppliers and employees		(21,295)	(19,889)
Interest paid		(596)	(369)
Income taxes paid		-	(32)
Net cash flows used in operating activities	19.2	**(2,681)**	**(2,870)**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(28)	(33)
Purchase of intangible assets		(1,630)	(1,400)
Net cash flows used in investing activities		**(1,658)**	**(1,433)**
Cash flows from financing activities			
Proceeds from issue of shares		4,606	3,166
Costs associated with issue of shares		(389)	-
Repayment of loans		(400)	-
Repayments of lease liabilities		(103)	(120)
Net cash flows from financing activities		**3,714**	**3,046**
Net decrease in cash and cash equivalents before effect of exchange rate changes		**(625)**	**(1,257)**
Effect of exchange rate changes on cash and cash equivalents		4	1
Net decrease in cash and cash equivalents		**(621)**	**(1,256)**
Cash and cash equivalents at beginning of the year		1,770	3,026
Cash and cash equivalents at end of the year	19	**1,149**	**1,770**

The Group has elected to present a statement of cash flows that analyses all cash flows in total - i.e. including both continuing and discontinuing operations. Refer to note 21 for details on cash flows from discontinuing operations.

The above Consolidated Statement of Cash Flows should be read in conjunction with the attached notes.

Notes to the financial statements

1. General information

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards (AASB) and comply with other requirements of law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with IFRS as issued by the IASB.

The financial statements were authorised for issue by the Directors on 29 August 2025.

Spacetalk Limited (the Company) is a limited Company incorporated in Australia. The addresses of its registered office and principal place of business are disclosed in the introduction to the financial statements. A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

2. Application of new or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. Material accounting policy information

3.1 Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of $4,544,000 and had net cash outflows from operating and investing activities of $2,681,000 and $1,658,000 respectively for the year ended 30 June 2025. As at that date the consolidated entity had net current liabilities of $3,664,000 and net liabilities of $4,263,000.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the company and consolidated entity will be able to continue as going concerns, after consideration of the following factors:

• On 11 July 2025, the Company secured $3m in capital to fund expansion and new products from Thorney Investment Group. The $3 million investment by Thorney was in exchange for new unsecured notes that will accrue interest at a rate of 10% per annum, which shall be payable through the issue of shares on a quarterly basis, subject to the receipt of prior shareholder approval. The Converting Notes are otherwise subject to mandatory conversion into Shares on 31 July 2026, subject to shareholder approval.

• On 11 July 2025, Pure Asset Management agreed to subscribe for 1,000,000 Converting Notes in conversion of $1m in secured debt currently owing by the Company, which will take immediate effect upon the issue of Converting Notes to Pure. Post conversion, the debt facility balance would be $3.6m. Further, Pure committed to the following additional arrangements in respect of its existing secured loan facility:

- a suspension of all capital repayments for the remainder of the 2025 calendar year; and
- an extension of the maturity date of the remaining loan facility by three months to 30 June 2027.

The Directors believe the Group has sufficient resources to meet its obligations for at least 12 months from the date of signing these financials to support the going concern status.

Accordingly, the Directors believe that the company and consolidated entity will be able to continue as going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company and consolidated entity do not continue as going concerns.

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of Spacetalk Limited (the Company) and entities controlled by Spacetalk Limited (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of the subsidiaries are prepared for the same period as Spacetalk Limited using consistent accounting policies.

Notes to the financial statements

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

3.4 Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of goods
- App subscriptions
- MVNO subscriptions
- School messaging services and subscriptions

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

School messaging services, App subscriptions and MVNO subscriptions

The Group provides school messaging services, app subscriptions and MVNO subscriptions to customers. Such services are recognised as a performance obligation satisfied over time. Revenue is recognised for these services based on the stage of completion of the contract. The directors have assessed that the stage of completion determined as the proportion of the total time that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under AASB 15. Payment for subscriptions and school messaging services is made on a regular basis throughout the term accrued revenue is recognised over the period in which the installation services are performed representing the entity's right to consideration for the services performed to date.

3.5 Foreign currency translation

Functional and presentation currencies

The functional currency of each of the entities in the group is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency. The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/ Directors’ Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the consolidated financial statements and directors’ report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the profit or loss.

Translation

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.
- Exchange differences arising on translation of foreign operations are recognised in other comprehensive income. The foreign currency reserve is recognised in the profit or loss in the period in which the operation is disposed.

3.6 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Research and development tax incentive refund

Refund amounts received or receivable under the Federal Government's Research and Development Tax Incentive are recognised on an accruals basis as management believes there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. The refund is recognised in income tax benefit in the profit or loss.

3.7 Taxation

Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred income tax is recognised on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial statements purposes.

Deferred income tax assets and liabilities are recognised for all taxable temporary differences except:

• when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

• when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

• when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

• when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Income taxes relating to items recognised directly in equity are recognised in other comprehensive income and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

• when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

• receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

3.8 Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a reducing-balance basis over the estimated useful life of the assets as follows:

- Plant and equipment - over 5 to 10 years
- Leasehold improvements - 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.9 Intangibles

Intangible assets acquired separately

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with;

- finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.
- The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Internally generated intangible assets -research and development

Research costs are expensed when incurred. Any costs that cannot be reliably split between research and development are also expensed when incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project, which is generally 3 years.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

Impairments of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the amortisation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

3.10 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expires, or when it is transferred the financial assets and substantially all the risk and rewards of the assets to another entity.

On derecognition of the financial assets measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the income statement.

Impairment of financial assets

The Group recognises loss allowance for expected credit loss (ECL) on financial assets subsequently measured at amortised cost. ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix on the Company's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and on assessment of both the current as well as the forecast directions at the reporting date, including time value of money.

Lifetime ECL represents the expected credit losses that will results from all possible defaults events over the expected life of a financial instrument. In contracts, 12-months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Financial liabilities and equity

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities that are not subsequently measured at FVTPL are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost a financial liability and of allocating interest expense over the relevant period. The effective rate is that rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the liability, or (where appropriate) a shorter period, to the amortised costs of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised as the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.11 Trade and other receivables

Recognition and measurement

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Expected credit losses

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Provision for Discounts and Rebates

Where contractual arrangements or commercial practices provide for discounts, rebates, or other price concessions, these are recognized as a reduction in revenue and offset against the related receivable. The provision is estimated based on historical trends, current agreements, and expected future claims.

Discounts may include:

Volume rebates

Promotional allowances

These are accounted for at the time of revenue recognition if the amount can be reliably estimated and it is probable that the discount will be claimed.

Receivables are offset only when there is a legally enforceable right to offset and the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

3.12 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

3.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

3.14 Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income, for all periods presented.

3.15 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

3.16 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

3.17 Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

3.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

3.19 Employee benefits

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the discounted amount of the benefits expected to be paid in exchange for the service.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

3.20 Leases

Group as lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term lease (defined as leases with a lease of 12 months or less) and leases with low value assets (such as computers, printers, small office furniture and telephone). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern on which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined the group uses its incremental borrowing rate.

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying mount to reflect the lease payments made.

The Group remeasured the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate;
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets ("ROU assets") comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date less any lease incentives received and any initial direct costs. ROU assets are subsequently measured at costs less accumulated depreciation and impairment losses.

The ROU assets are depreciated over the shorter period of lease term and useful life of the underlying assets. The depreciation starts at the commencement date of the lease.

ROU assets are presented as a separate line item in the consolidated statement of financial position.

3.21 Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

3.22 Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

3.23 Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.24 Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

3.25 Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

3.26 Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

4. Critical accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Capitalisation of internally generated intangible assets

The Group incurs significant expenditure conducting research and development activities for new and existing products developed internally. As a result of this, professional judgment is required in order to identify which of these expenditures represent research and which represent development costs.

Expenditure associated with research activities are expensed as incurred in accordance with AASB 138. An intangible asset is recognised to record expenditure arising from development activities only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Any costs that cannot be reliably split between research and development activities are expensed when incurred.

Fair value of derivative liabilities

Included in Note 33 is a derivative liability in relation to warrant issued. The classification of this instrument involves significant judgement, particularly in determining whether it meets the criteria for equity classification under AASB 132 Financial Instruments: Presentation. The directors have exercised their judgment in determining that the warrant be classified as a financial liability on the basis that the instrument does not meet the “fixed for fixed” test under AASB 132.

The fair value measurement of the derivative liability also involves significant estimation uncertainty. Key assumptions used in the valuation include expected volatility and the risk-free interest rate. These inputs are subject to change and can materially affect the fair value outcome. The valuation technique applied is consistent with AASB 13 Fair Value Measurement, and the instrument is categorised within Level 3 of the fair value hierarchy due to the use of unobservable inputs.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Notes to the Financial Statements

Figures in $ `000	2025	2024

5. Revenue

5.1 Revenue comprises:

	2025	2024
Device sales	8,313	8,235
App subscriptions revenue	2,411	2,892
Seniors	62	-
Mobile revenue	6,957	4,523
Schools' revenue	1,866	1,830
Total revenue	**19,609**	**17,480**

5.2 Timing of revenue recognition

	2025	2024
Recognised at a point in time	8,313	8,235
Recognised over time	11,296	9,245
	19,609	**17,480**

Refer to Note 11 for further details on the disaggregation of revenue.

6. Other income

6.1 Other income comprises:

	2025	2024
Sundry income	52	22
Grants received	444	411
	496	**433**

7. Expenses

Expenses comprise:

Loss before income tax from continuing operations includes the following specific expenses:

	2025	2024
Cost of sales		
Cost of sales	9,883	8,865
Total cost of sales	**9,883**	**8,865**
Depreciation		
Plant and equipment	22	23
Building right-of-use assets	157	125
Total depreciation	**179**	**148**
Amortisation		
Capitalised development costs	1,263	764
Total amortisation	**1,263**	**764**
Total depreciation and amortisation	**1,442**	**912**

Notes to the Financial Statements

Figures in $ `000	2025	2024
Superannuation expense		
Defined contribution superannuation expense	523	631
Share-based payments expense		
Share-based payments expense (Note 13)	361	358

8. Finance (cost)/income

8.1 Finance (cost)/income in profit & loss:

	2025	2024
Interest expense	458	577
Fair value loss/(gain) on fair value of derivatives	407	(720)
Total finance (cost)/income	**865**	**(143)**

9. Income tax expense

	2025	2024
Current tax expense	-	32
Deferred tax - origination and reversal of temporary differences	-	-
Research and development tax offset	-	-
Adjustment recognised in the current year in relation to the current tax of prior years	-	-
Aggregate income tax expense	**-**	**32**
Income tax expense is attributable to:		
Loss from continuing operations	-	-
Loss from discontinued operations	-	32
Aggregate income tax expense	**-**	**32**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(4,544)	(5,696)
Loss before income tax (expense)/benefit from discontinued operations	-	(509)
	(4,544)	**(6,205)**
Tax at the statutory tax rate of 25%	**(1,136)**	**(1,551)**
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Tax losses not recognised	1,136	1,551
(Over)/under provision of prior year income tax	-	32
	-	**32**
Adjustments recognised in the current year in relation to the current tax of prior year	-	-
Adjustments recognised in the current year in relation to the deferred tax loss not recognised	-	-
Income tax expense	**-**	**32**

Notes to the Financial Statements

Figures in $ `000	2025	2024
Deferred tax assets not recognised comprises temporary differences attributable to:		
Other provisions	148	75
Property, plant and equipment	12	15
Lease liabilities	30	52
Distribution rights	110	110
Trade payables/accrued expenses	277	125
Provision for employee entitlements	86	81
Right-of-use assets	(25)	(49)
Income tax losses	5,256	4,755
Intangible assets	498	292
Capital raising costs	73	113
Total deferred tax assets not recognised	**6,465**	**5,569**

The above potential tax benefit, which includes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

10. Earnings per share

Basic earnings per share

	2025	2024
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Loss for the year attributable to owners of the company for continuing operations	(4,544)	(5,696)
Loss for the year from discontinued operations	-	(540)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	61,414,343	42,998,475
Adjustment for calculation of diluted earnings per share	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	61,414,343	42,998,475

• Numbers adjusted for 1-for-10 consolidation completed on 27 November 2024. Calculation details use pro-rata time-weighting based on register movements and consolidation date.

	2025	2024
Earnings per share from continuing operations attributable to owners of Spacetalk Limited		
Basic earnings per share (cents)		
Basic loss per share from continuing operations	(7.40)	(13.25)
Diluted loss per share from continuing operations	(7.40)	(13.25)
Earnings per share (cents) from discontinuing operations attributable to owners of Spacetalk Limited		
Basic loss per share from discontinuing operations	-	(1.26)
Diluted loss per share from discontinuing operations	-	(1.26)

Notes to the Financial Statements

Figures in $ `000	2025	2024
Earnings per share (cents) for loss		
Basic loss per share attributable to the owners of Spacetalk Ltd	(7.40)	(14.50)
Diluted loss per share attributable to the owners of Spacetalk Ltd	(7.40)	(14.50)

Disclosure of securities that could dilute EPS in the future

As at 30 June 2025, 19,165,688 listed options (ASX: SPAOA, $0.35, expiring 22 Sept 2025), and 1,433,959 performance rights (various vesting terms) remain on issue. These are anti-dilutive due to the reported net loss and are excluded from the FY25 diluted EPS calculation.

Comparative Information & methodology

• All prior period share and earnings calculations have been restated for the 1-for-10 consolidation.

Performance rights granted to employees under the Company's incentive plan are considered to be potential ordinary shares. Options granted by the Company are considered to be potential ordinary shares. They have not been included in the determination of diluted earnings per share because their conversion to ordinary shares would not increase loss per share, being antidilutive in nature.

11. Segment revenues and results

11.1 Products and services from which reportable segments derive their revenues

Factors used to identify the entity's reportable segments, including the basis of organisation (for example, whether management has chosen to organise the entity around differences in products and services, geographical areas, regulatory environments, or a combination of factors and whether operating segments have been aggregated.

The Group operates predominately in five business segments, defined by the Group's different product and service offerings.

The Group's reportable segments under AASB 8 are therefore as follows:

- Devices	Device segments supply the 'Spacetalk' smartwatches through retail distribution networks and online sales.
- Schools	The schools segment provides school messaging services and license fees to various schools.
- MVNO	MVNO (Mobile Virtual Network Operator) segment sells mobile services under the 'Spacetalk' brand name using the network of a licensed mobile operator.
- Apps	Apps segment supply the 'Spacetalk' smartwatches customers the device agnostic (open) mobile application products.
- Corporate	'Corporate' is the aggregation of the Group's other various sundry income and expenses in the corporate level.
- Seniors	The senior (or "Life mPers") segment targets elderly individuals and their families with wearable safety devices and emergency alert features. These offerings help seniors live independently while providing reassurance to families and caregivers.

This is the basis by which management controls and reviews the operations of the Group. Segment results are routinely reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance on the same basis. No operating segments have been aggregated in arriving at the reportable segments of the group. The Group's chief operating decision maker does not review segment assets and liabilities on a regular basis. Accordingly, these are not disclosed.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Figures in $ `000 2025 2024

Refer to note 23 for details of discontinued operations during the prior financial year.

11.2 Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	Total segment revenue	Total segment revenue
	2025	2024
Year ended 30 June		
Devices	8,313	8,186
Schools	1,866	1,830
MVNO	6,957	4,523
Apps	2,411	2,882
Seniors	62	59
Total segment revenues	**19,609**	**17,480**

11.3 Gross profit

	Gross profit for the year	Gross profit for the year
	2025	2024
Year ended 30 June		
Devices	2,587	2,595
Schools	1,759	1,761
MVNO	3,633	1,984
Apps	1,687	2,216
Seniors	60	59
Total gross profit	**9,726**	**8,615**

Figures in $ `000

Assets and liabilities

	Segment total assets	Segment total liabilities
Year ended 30 June 2025		
Corporate	8,600	(12,863)
Total assets and liabilities	**8,600**	**(12,863)**
Year ended 30 June 2024		
Corporate	7,587	11,449
Total assets and liabilities	**7,587**	**11,449**

Segment revenue reported above represents revenue generated from external customers by each service or product. There were no intersegment sales in the current year (2024: nil).

Geographical information	2025	2024
Australasia	18,958	16,283
Rest of world	651	1,197
	19,609	**17,480**

Information about major customers

Included in revenues arising from Australasia are revenues of approximately $2.7 million and $2.4 million (2024 $2.8 million and $2.4 million) which arose from sales to the Group's two largest customers. No other single customers contributed 10% or more to the Group's revenue in either 2025 or 2024.

12. Financial instruments

12.1 Capital management

Management controls the capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group’s capital by assessing the Group’s financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure, debt levels, share and option issues.

There have been no changes in the strategy adopted by management to control capital of the Group since the prior year.

Figures in $ `000

12.2 Gearing ratio

The gearing ratio at the end of the period was as follows:

Lease liabilities	119	208
Borrowings	4,600	5,000
Warrant liability	826	419
Net Debt	**5,545**	**5,627**
Equity	(4,263)	(3,862)
Net debt to equity ratio	**-130%**	**-146%**

12.3 Financial risk management

The Group's principal financial instruments comprise borrowings, derivatives, receivables, payables, cash and short-term deposits. The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

The main risks arising from the Group’s financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The Group does not speculate in the trading of derivative instruments. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

12.4 Interest rate risk

The Company’s exposure to risks of changes in market interest rates relates primarily to the Company’s cash balances. The Company constantly analyses its interest rate exposure.

Its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits which is deemed to be immaterial. The interest rates in relation to borrowings are fixed at 9.5%.

Cash and cash equivalents (interest-bearing accounts)	161	31

12.5 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group’s short- medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by;

- monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained,
- continuously monitoring forecast and actual cash flows, and
- matching the maturity profiles of financial assets and liabilities based on management’s expectations.

Figures in $ `000 2025 2024

The risk implied from the values shown in the table below reflects a balanced view of cash inflows and outflows within the 2025 financial period.

2025	**Weighted average interest rate**	**1 year or less**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Remaining contractual maturities**
	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	-	4,267	-	-	-	4,267
Interest bearing - fixed rate						
Other loans	9.50%	1,300	3,300	-	-	4,600
Lease liabilities	3.70%	40	79	-	-	119
Total non-derivatives	**-**	**5,607**	**3,379**	**-**	**-**	**8,986**
Derivatives						
Warrants	-	826	-	-	-	826
Total derivatives	**-**	**826**	**-**	**-**	**-**	**826**

Figures in $ `000

2024	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	-	2,829	-	-	-	2,829
Interest bearing - fixed rate						
Other loans	9.50%	5,000	-	-	-	5,000
Lease liabilities	3.70%	129	79	-	-	208
Total non-derivatives	**-**	**7,958**	**79**	**-**	**-**	**8,037**
Derivatives						
Warrants	-	419	-	-	-	419
Total derivatives	**-**	**419**	**-**	**-**	**-**	**419**

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

12.6 Credit risk

Credit risk arises from the financial assets of the Company, which comprise deposits with banks and trade and other receivables. The Company’s exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The carrying amount of financial assets included in the Statement of Financial Position represents the Company’s maximum exposure to credit risk in relation to those assets.

The Company does not hold any credit derivatives to offset its credit exposure.

The Company trades only with recognised, creditworthy third parties and as such collateral is not requested nor is it the Company’s policy to securitise its trade and other receivables.

Receivable balances are monitored on an ongoing basis with the result that the Company does not have a significant exposure to bad debts. Trade and other receivables are expected to have a maturity of less than 12 months, for both year-ends.

There are no significant concentrations of credit risk within the Company.

12.7 Foreign currency risk

As a result of operations in the USA, being denominated in USD, operations in New Zealand being denominated in NZD, and operations in the United Kingdom being denominated in GBP, the Group's balance sheet can be affected by movements in the respective AUD exchange rates. The Company does not hedge this exposure.

In the reporting period the Group's volume of transactions in NZ currency was low and immaterial.

The Group manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring appropriate cash balances are maintained in USD, NZD and GBP, to meet current operational commitments.

Notes to the Financial Statements

Figures in $ `000

Management believes the balance date risk exposures are representative of the risk exposure inherent in financial instruments.

12.8 Fair value

The methods of estimating fair value are outlined in the relevant notes to the consolidated financial statements. All financial assets and liabilities recognised in the Consolidated Statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

Figures in $ `000

13. Share based payments

There were a number of employee rights granted during the year. The performance rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Remuneration Committee. Note that exercise price and dividend yields are nil. The valuation model inputs used to determine the fair value as at grant date were as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Performance right life in years	Fair value at grant date	Consolidated number of performance rights	Vesting date
Performance rights issued in previous years (not lapsed/forfeited)							
21/11/2024	21/11/2029	$0.016	$-	0.86 or 0	$0.016	1,308,855	30/09/2025 or 22/11/2024
06/12/2024	06/12/2029	$0.016	$-	0.56	$0.016	343,914	30/09/2025
12/06/2025	12/06/2030	$0.160	$-	-	$0.160	200,000	12/06/2025

The expense in relation to these equity-settled share-based payment transactions have been included in profit and loss and credited to share based payment reserve. During the period, an expense of $361k (2024: $358k) has been recorded in relation to new and existing performance rights. The performance rights that were issued during the year were valued at the prevailing share market price on grant date.

The following table outlines the number of incentive rights on issue and movements during the reporting periods presented:

Notes to the Financial Statements

Figures in $ `000

	Number of rights 2025	Weighted average exercise price 2025	Number of rights 2024	Weighted average exercise price 2024
Outstanding at the beginning of the financial year	45,648,242	-	4,917,999	-
Granted	13,088,550	-	68,157,292	-
Forfeited/lapsed	(27,580,421)	-	(21,739,855)	-
Exercised	(19,219,875)	-	(5,687,194)	-
Outstanding before consolidation	**11,936,496**	**-**	**45,648,242**	**-**
Consolidation of rights	(10,742,846)	**-**	**-**	
Rounding due to consolidation	2	**-**	**-**	
Granted after consolidation	543,914	**-**	**-**	
Forfeited/lapsed after consolidation	(203,001)	**-**	**-**	
Excercised	(100,606)		**-**	
Outstanding at the end of the financial year	**1,433,959**		**45,648,242**	

Equity Transaction Costs

In accordance with AASB 132, the total fair value of the options granted to the underwriters and lead manager, amounting to
$ 0 (2024: $377k) has been recognized as capital-raising expenses and deducted from equity. These expenses were directly offset against the equity proceeds from the capital raise and were not included in the statement of profit or loss.

Notes to the Financial Statements

Figures in $ `000

Share options

Set out below are summaries of options granted:

Grand date	Expiry date	Numbers of option granted *	Numbers of option granted (post-consolidation)*	Share price at grand date	Exercise price ($)**	Fair value ($)
23/09/2024	22/09/2025	16,686,970	1,668,697	0.023	0.035	-
24/09/2024	22/09/2025	18,087,950	1,808,795	0.023	0.035	-
09/10/2024	22/09/2025	10,936,446	1,093,645	0.023	0.035	-
10/10/2024	22/09/2025	26,262,381	2,626,238	0.024	0.035	-

* These options were issued before the 10-to-1 share consolidation, meaning the equivalent post-consolidation number would be 7,197,375 options.

** These options were issued before the 10-to-1 share consolidation, meaning the equivalent post-consolidation exercise price is $0.35.

The following table outlines the number of options on issue and movements during the financial year presented:

	Number of options 2025	Number of options 2024
Outstanding at beginning of the financial year	119,682,018	43,275,962
Granted	71,973,747	119,682,018
Forfeited/lapsed		(43,275,962)
Oustanding before consolidation	191,655,765	119,682,018
Consolidation of options	19,165,577	-
Rounding due to consolidation	111	-
Oustanding at the end of the financial year	19,165,688	119,682,018

No voting or dividend rights are attached to the options.

Notes to the Financial Statements

Figures in $ `000	2025	2024

14. Key management personnel disclosures

Key Management Personnel

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing, and controlling the major activities of the Group, directly or indirectly, including any director (executive or otherwise) of the parent company.

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2025	2024
Short-term benefits	1,244	1,265
Post-employment benefits	94	91
Termination benefits	-	76
Share-based payments	291	309
	1,629	**1,741**

Loans with key personnel

There were no loans to key management personnel or their related entities during the financial year (2024: nil).
There were no other transactions with key management personnel or their related entities during FY25, apart from remuneration.

15. Related party transactions

Subsidiaries

The consolidated financial statements include the financial statements of Spacetalk Limited and the subsidiaries that are listed in the table in note 22. All intra-group balances and transactions are eliminated on consolidation.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below. Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 22.

The Group holds intercompany loans between its Australian holding entity and its foreign subsidiaries, including those in the US and UK. These loans are primarily intended to support operational liquidity within the group.

As of 30 June 2025, these loans are classified as working capital loans, with settlement planned in the foreseeable future. In the prior year, foreign exchange differences on certain intercompany loans were treated differently but have now been aligned with current policy and intentions. Consistent with the requirements of AASB 121 The Effects of Changes in Foreign Exchange Rates, foreign exchange differences arising from these loans have been recognised in profit or loss, as the loans do not meet the criteria for classification as part of a net investment in a foreign operation.

During the financial year, the Group recognised foreign exchange profits totaling $377k (2024: -$114k) related to these intercompany loans. These FX movements have been recorded in the income statement, reflecting the Group's ongoing actions to repay these loans through operational cash flows.

No foreign exchange differences relating these loans were recognised in the Foreign Currency Translation Reserve (FCTR) during the reporting period, as the intercompany loans are expected to be settled in the foreseeable future.

Investments in subsidiaries, associates and joint ventures are accounted for at cost. Dividends received from subsidiaries, associates and joint ventures are recognised in profit or loss when a right to receive the dividend is established (provided that it is probable that the economic benefits will flow to the Parent and the amount of income can be measured reliably).

Transactions with key management personnel and director-related entities

During FY25, all transactions between the company and key management personnel or their related parties occurred at normal commercial terms, or otherwise as approved by the Board within remuneration frameworks.

Notes to the Financial Statements

Figures in $ `000	2025	2024

Loans with key management personnel

No loans were made to directors or other key management personnel or their related entities during the year (FY24: nil).

Intercompany and group transactions

All material intercompany balances within the Group (including intra-group loans, cost allocations, and funding) were eliminated on consolidation and are not disclosed in this note.

Tax consolidation

Spacetalk Limited and its wholly owned Australian resident entities remain members of a tax consolidated group, with the parent company as head entity. Please refer to Note 16 for further information.

Other related parties

There were no transactions with associates, joint ventures, or close family members of directors and management during the period (FY24: nil).

Transactions with related parties

As at 30 June 2025, all transactions that have occurred among the subsidiaries within the Group have been eliminated for consolidation purposes.

During the current and prior period, there were no related party transactions.

The terms and conditions of the transactions with Directors and Director-related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

16. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	2025	2024
Profit after income tax	-	-
Total comprehensive income	**-**	**-**

Statement of financial position

	2025	2024
Total current assets	-	-
Total non-current assets	54,019	49,443
Total assets	**54,019**	**49,443**
Total current liabilities	-	-
Total liabilities	-	-
Issued capital	45,544	40,802
Share-based payments reserve	665	829
Retained earnings	7,811	7,811
Total equity	**54,019**	**49,442**

No contingent assets or liabilities existed at year end.

Notes to the Financial Statements

Figures in $ `000	2025	2024

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

There are no guarantees entered into in relation to debt for any subsidiaries.

Material accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, and as per the 2024 annual financial statements, except for the following:

• Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

• Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

17. Remuneration of the auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia, the auditor of the company:

	2025	2024
Audit and review of financial statements	120	115

During the year no non-assurance services have been provided by RSM Australia.

18. Events after the reporting period

• On 11 July 2025, the Company secured $3m in capital to fund expansion and new products from Thorney Investment Group. The $3 million investment by Thorney was in exchange for new unsecured notes that will accrue interest at a rate of 10% per annum, which shall be payable through the issue of shares on a quarterly basis, subject to the receipt of prior shareholder approval. The Converting Notes are otherwise subject to mandatory conversion into Shares on 31 July 2026, subject to shareholder approval.

• On 11 July 2025, Pure Asset Management agreed to subscribe for 1,000,000 Converting Notes in conversion of $1m in secured debt currently owing by the Company, which will take immediate effect upon the issue of Converting Notes to Pure. Post conversion, the debt facility balance would be $3.6m. Further, Pure committed to the following additional arrangements in respect of its existing secured loan facility:

-a suspension of all capital repayments for the remainder of the 2025 calendar year;

and

- an extension of the maturity date of the remaining loan facility by three months to 30 June 2027.

Other than the matters outlined above, no other material matters or circumstances have arisen since 30 June 2025 that have significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Notes to the Financial Statements

Figures in $ `000	2025	2024

19. Cash and cash equivalents

19.1 Cash and cash equivalents included in current assets:

	2025	2024
Cash and bank balances	988	1,739
Cash equivalents		
Short term deposits	161	31
Cash and cash equivalents	**1,149**	**1,770**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Cash comprises cash at bank and in hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

19.2 Reconciliation of cash flows from operating activities

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated reporting position as shown above.

Cash flows from operating activities

	2025	2024
Loss for the year	**(4,544)**	**(6,234)**
Adjustments for:		
Depreciation and amortisation	1,442	912
Impairment losses on intangibles, PPE and Inventory	27	29
Fair value loss/(gain) on derivatives	407	(720)
Cost relating to debt restructuring	-	192
(Gain)/losses on foreign exchange realised in profit or loss	(377)	113
Share-based payments	361	358
Change in operating assets and liabilities:		
(Decrease)/increase in income tax liability	-	32
Adjustments for (increase)/decrease in inventories	(175)	1,076
Adjustments for (increase)/decrease in trade accounts receivable	(732)	1,770
Adjustments for increase in other assets	(450)	(384)
Adjustments for increase/(decrease) in trade accounts payable	1,438	(197)
Adjustments for increase in contract liabilities	209	644
Adjustments for decrease in provisions	(287)	(461)
Net cash flows used in operations	**(2,681)**	**(2,870)**

Notes to the Financial Statements

Figures in $ `000	2025	2024

20. Trade and other receivables

20.1 Trade and other receivables comprise:

	2025	2024
Trade receivables	1,385	598
Less: Allowance for expected credit losses	(80)	(52)
Trade receivables - net	1,305	546
Other receivables	258	285
Total trade and other receivables	**1,563**	**831**

20.2 Trade receivables - past due

	2025	2024
Not due	988	250
Past due 0-30 days	39	212
Past due 31-60 days	74	16
Past due 61-90 days	72	32
Past due over 90 days	131	35
	1,305	**546**

20.3 Movement in loss allowance

	2025	2024
At the beginning of the year	(52)	(11)
Increase/(decrease) in allowance attributable to new sales	(388)	(41)
Written off during the year	360	-
At the end of the year	**(80)**	**(52)**

21. Inventories

	2025	2024
Finished goods	1,692	1,517

The cost of inventories recognised as an expense during the year in respect of continuing operations was $5,728k (2024: $5,518k). The key assumptions, which require the use of management judgement, are the variables affecting costs recognised in bringing the inventory to their location and condition for sale, estimated costs to sell and the expected selling price. These key assumptions are reviewed at least annually.

The balance above is reflected after including a provision for inventory obsolescence $1,286k (2024: 2,039k).

Inventory of $27k (2024: $0,4k) was written off during the current year.

22. Other current assets

	2025	2024
Prepayments	1,416	966
Total	**1,416**	**966**

Figures in $ `000	2025	2024

23. Discontinued operations

There are no non-current assets or disposal groups classified as held for sale at 30 June 2025.

Total revenue	**-**	**2,079**
Loss after income tax	**-**	**(540)**
Net cash flows	**-**	**(598)**

No new discontinued operations or held-for-sale assets were recognised during FY25. All Group operations and segment disclosures for FY25 relate solely to continuing operations.

In the prior year, the Group classified its UK, Europe and USA device-only operations as a discontinued operation under AASB 5 Non-current Assets Held for Sale and Discontinued Operations. In the current year, the Group launched a revised business model involving sales of devices bundled with recurring subscription revenues. Accordingly, the prior year discontinued operations have not been reclassified, and current year activities are presented as part of continuing operations

24. Interests in subsidiaries

Information about the composition of the Group at the end of the reporting period is as follows:

Unlisted controlled entity	Country of incorporation	Date of acquisition or incorporation	Class of shares	30 June 2025	30 June 2024
MGM Wireless Holdings Pty Ltd	Australia	10/08/2003	Ordinary	100%	100%
Message You LLC1	USA	11/09/2006	Ordinary	100%	100%
Spacetalk (NZ) Pty Ltd	Australia	18/05/2010	Ordinary	100%	100%
Spacetalkwatch UK Ltd	United Kingdom	25/02/2019	Ordinary	100%	100%
Spacetalk Holdings Pty Ltd	Australia	29/06/2015	Ordinary	100%	100%
Spacetalk USA Pty Ltd	Australia	29/06/2015	Ordinary	100%	100%
Spacetalk LLC	USA	29/04/2021	Ordinary	100%	100%
Spacetalk Inc	USA	29/04/2021	Ordinary	100%	100%

The investments have been eliminated on consolidation.

Figures in $ `000

25. Property, plant and equipment

25.1 Balances at year end and movements for the year

	Leasehold property	Plant and equipment	Total
Reconciliation for the year ended 30 June 2025			
Balance at 1 July 2024			
At cost	9	217	**226**
Accumulated depreciation	(4)	(110)	**(114)**
Carrying amount	**5**	**107**	**112**
Movements for the year ended 30 June 2025			
Additions	-	28	**28**
Depreciation	-	(22)	**(22)**
Property, plant and equipment at the end of the year	**5**	**113**	**118**
Closing balance at 30 June 2025			
At cost	9	245	**254**
Accumulated depreciation	(4)	(132)	**(136)**
Carrying amount	**5**	**113**	**118**
Reconciliation for the year ended 30 June 2024			
Balance at 1 July 2023			
At cost	9	184	**193**
Accumulated depreciation	(4)	(87)	**(91)**
Carrying amount	**5**	**97**	**102**
Movements for the year ended 30 June 2024			
Additions	-	33	**33**
Depreciation	-	(23)	**(23)**
Property, plant and equipment at the end of the year	**5**	**107**	**112**
Closing balance at 30 June 2024			
At cost	9	217	**226**
Accumulated depreciation	(4)	(110)	**(114)**
Carrying amount	**5**	**107**	**112**

Figures in $ `000

26. Right-of-use assets

	Buildings
Balance at 1 July 2024	
At cost	375
Accumulated depreciation	(177)
Carrying amount	**198**
Movements for the year ended 30 June 2025	
Additions	60
Depreciation	(157)
Closing balance at 30 June 2025	**101**
At cost	435
Accumulated depreciation	(334)
Carrying amount	**101**
Balance at 1 July 2023	
At cost	727
Accumulated depreciation	(404)
Carrying amount	**323**
Movements for the year ended 30 June 2024	
Depreciation	(125)
Closing balance at 30 June 2024	**198**
At cost	375
Accumulated depreciation	(177)
Carrying amount	**198**

Notes to the Financial Statements

Figures in $ `000

27. Intangible assets

27.1 Reconciliation of changes in intangible assets

	Development costs	Distribution rights	Total
Reconciliation for the year ended 30 June 2025			
Balance at 1 July 2024			
At cost	24,244	-	**24,244**
Accumulated amortisation	(22,051)	-	**(22,051)**
Carrying amount	**2,192**	**-**	**2,192**
Movements for the year ended 30 June 2025			
Additions through internal development	1,659	-	**1,659**
Amortisation	(1,263)	-	**(1,263)**
Impairment loss recognised in profit or loss	(27)	-	**(27)**
Intangible assets at the end of the year	**2,561**	**-**	**2,561**
Closing balance at 30 June 2025			
At cost	25,880	-	**25,880**
Accumulated amortisation	(23,319)	-	**(23,319)**
Carrying amount	**2,561**	**-**	**2,561**
Reconciliation for the year ended 30 June 2024			
Balance at 1 July 2023			
At cost	22,461	441	**22,902**
Accumulated amortisation	(20,876)	(441)	**(21,317)**
Carrying amount	**1,585**	**-**	**1,585**
Movements for the year ended 30 June 2024			
Additions through internal development	1,400	-	**1,400**
Amortisation	(764)		**(764)**
Impairment loss recognised in profit or loss	(29)	-	**(29)**
Intangible assets at the end of the year	**2,192**	**-**	**2,192**
Closing balance at 30 June 2024			
At cost	24,244	-	**24,244**
Accumulated amortisation	(22,051)	-	**(22,051)**
Carrying amount	**2,192**	**-**	**2,192**

Impairment Testing of Intangible Assets

The Group assesses intangible assets for impairment for the year ended 30 June 2025. The management has applied judgment to conclude that there is no impairment indicator identified.

28. Issued capital

28.1 Authorised and issued share capital

Movement in ordinary share capital

Details	Shares	$'000
Balance at 1 July 2023	**311,242,939**	**37,893**
Exercise of performance rights	5,687,194	120
Capital raised	154,091,276	3,389
Transfer of vested expired options to share capital	-	(600)
Balance at 1 July 2024	**471,021,409**	**40,802**
Exercise of performance rights	19,219,875	458
Capital raised	143,947,420	3,341
Shares issued to settle interest	3,571,428	65
Share issue costs	-	(306)
Subtotal before consolidation	**637,760,132**	**44,360**
Capital consolidation (1 for 10)	(573,984,119)	-
Consolidation of shares *	348	**44,360**
Shares post-consolidation (27 Nov 2024)	**63,776,361**	**44,360**
Capital raised	9,035,715	1,265
Exercise of performance rights	100,606	2
Share issue costs	-	(83)
Balance at 30 June 2025	**72,912,682**	**45,544**

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holders to one vote, either in person or by proxy, at a meeting of the Group.

29. Reserves

29.1 Classification of reserves

Share based payment reserve	665	829
Foreign currency translation reserve	(389)	46
Total reserves	**276**	**875**

29.2 Movement in reserves

	Foreign currency translation reserve	Share based payment reserve	Total
Balance at 1 July 2023	154	149	303
Foreign currency translation	(108)	-	(108)
Conversion of rights to shares	-	(120)	(120)
Capital raising costs	-	377	377
Share based payments expense	-	358	358
Shares payables not issued	-	65	65
Balance at 30 June 2024	**46**	**829**	**875**

Figures in $ `000

Balance at 1 July 2024	46	829	875
Foreign currency translation	(435)	-	(435)
Conversion of rights to shares	-	(460)	(460)
Share based payments expense	-	361	361
Shares payables not issued	-	(65)	(65)
Balance at 30 June 2025	**(389)**	**665**	**276**

29.3 Nature and purpose of reserves

The share-based payments reserve is used to accumulate amounts related to the issue of performance rights and records items recognised as expenses on valuation of incentive-based share options and rights.

The foreign currency translation reserve is used to record exchange rate differences arising from the translation of the financial statements of foreign subsidiaries and are recognised directly in the total comprehensive Income for the year.

30. Trade and other payables

30.1 Trade and other payables comprise:

Trade payables	1,691	1,571
Income tax payable	14	8
Other payables	2,562	1,250
Total trade and other payables	**4,267**	**2,829**

31. Contract liabilities

31.1 Contract liabilities comprise:

Unearned income	2,262	2,053

Reconciliation

Reconciliation of the movement from the beginning and end of the current and previous financial year are set out below:

Opening balance	2,053	1,409
Payments received in advance	7,166	5,167
Transferred to revenue	(6,957)	(4,523)
Closing balance	**2,262**	**2,053**

Figures in $ `000

32. Provisions

32.1 Provisions comprise:

Current obligation:		
Provisions for employee benefits	342	301
Other provisions	447	617
	789	**918**
Non-current obligation:		
Provisions for employee benefits	-	22
Non-current portion	**-**	**22**
	789	**940**

32.2 Provisions for employee benefits

	Employee benefit provision
Balance at 1 July 2024	**323**
Other changes	20
Total changes	20
Balance at 30 June 2025	**342**
Balance at 1 July 2023	**259**
Other changes through other comprehensive income	64
Total changes	64
Balance at 30 June 2024	**323**

32.3 Other provisions

	Provision for warranty	Provision for returns	Total
Balance at 1 July 2024	**541**	**76**	**617**
Reversed	(234)	-	(234)
Utilised	(159)	(375)	(534)
Raised	-	598	598
Total changes	(393)	223	(170)
Balance at 30 June 2025	**148**	**299**	**447**
Balance at 1 July 2023	**849**	**260**	**1,109**
Reversed	(100)	-	(100)
Utilised	(208)	(452)	(660)
Raised	-	268	268
Total changes	(308)	(184)	(492)
Balance at 30 June 2024	**541**	**76**	**617**

The provision for employee benefits represents annual leave and long service leave entitlements accrued.

Figures in $ `000	2025	2024

The provision for warranty represents the estimation of the warranty claims expected to be materialised.

The provision for sales return represents the sales return accrued.

33. Derivative liabilities

Derivatives	826	419

At the beginning of the year, the Company had 90,000,000 warrants issued in 2022 exercisable at $0.23 per share. In November 2024, the warrants were consolidated on the basis of 1 for every 10 and consequently reduced to 9,000,000 warrants. Subsequently, the warrants were cancelled and replaced by a new issuance of 9,000,000 warrants exercisable at $0.23 expiring on 31 March 2027 as part of the debt restructuring in December 2024. In addition, a further 2,000,000 warrants were issued in December 2024 exercisable at $0.165 expiring on 31 December 2026.

Key assumptions used in determining the fair value of the warrants at 30 June 2025:

Valuation date	**30 June 2025**	**30 June 2025**
Share price at 30 June 2025 ($)	0.15	0.15
Exercise price ($)	0.165	0.23
Expected volatility	120.35%	120.35%
Warrant life remaining	1.5 years	1.75 years
Fair value per warrant at valuation date ($)	0.0794	0.0741
Number of warrants issued ('000)	2,000	9,000
Fair value of warrants ($'000)	**159**	**667**
Total fair value of warrants ($'000)		**826**

The inputs used in the valuation of derivatives are considered level 2 fair value hierarchy. There were no transfers between levels during the financial year.

Key assumptions used in determining the fair value of the warrants at 30 June 2024:

Valuation date	**30 June 2024**	**30 June 2024**
Share price at 30 June 2024 ($)	0.017	0.017
Exercise price ($)	0.05	0.0227
Expected volatility	92.97%	107.50%
Warrant life remaining	2.5 years	0.72 years
Fair value per warrant at valuation date ($)	0.0053	0.0038
Number of warrants issued ('000)	20,000	90,000
Fair value of warrants ($'000)	**107**	**312**
Total fair value of warrants ($'000)		**419**

34. Lease liabilities

34.1 Lease liabilities comprise:

Lease obligation	119	208
Current liabilities	40	129
Non-current liabilities	79	79
	119	**208**

35. Borrowings

35.1 Borrowings comprise:

Term loan	4,600	5,000
Non-current portion of borrowings	3,300	-
Current portion of borrowings	1,300	5,000
	4,600	**5,000**

As at 30 June 2025

Facility in place is a term loan with 2 tranches from Pure Asset Management with the following terms:

- Secured
- First loan interest rate 9.50% pa
- Second loan interest rate 9.50% pa

Revised Repayment Schedule

- Mar 2025 - Feb 2026: $0.100M/per month
- Mar 2026 - Mar 2027: $0.125M/per month
- Mar 2027: Final payment of outstanding capital

Notes to the Financial Statements

Figures in $ `000 **2025** **2024**

Covenants:

• Minimum cash balance: Required to maintain at least $0.75M at all times

• EBITDA covenant: Specific quarterly targets effective from 30 June 2025

As disclosed in Note 17, subsequent to year end, on 11 July 2025, Pure Asset Management agreed to subscribe for 1,000,000 Converting Notes in conversion of $1m in secured debt currently owing by the Company, which will take immediate effect upon the issue of Converting Notes to Pure. Post conversion, the debt facility balance would be $3.6m. Further, Pure committed to the following additional arrangements in respect of its existing secured loan facility:

-a suspension of all capital repayments for the remainder of the 2025 calendar year; and

- an extension of the maturity date of the remaining loan facility by three months to 30 June 2027.

As at 30 June 2025, the Company was granted a waiver on covenant targets by Pure Asset Management.

Consolidated Entity Disclosure Statement as at 30 June 2025

Entity name	Entity type	Country of Incorporation	% of share capital held	Tax residency
Spacetalk Limited	Body corporate	Australia	-	Australia*
MGM Wireless Holdings Pty Ltd	Body corporate	Australia	100%	Australia*
Message You LLC1	Body corporate	USA	100%	USA
Spacetalk (NZ) Pty Ltd	Body corporate	Australia	100%	Australia*
Spacetalkwatch UK Ltd	Body corporate	United Kingdom	100%	UK
Spacetalk Holdings Pty Ltd	Body corporate	Australia	100%	Australia*
Spacetalk USA Pty Ltd	Body corporate	Australia	100%	Australia*
Spacetalk LLC	Body corporate	USA	100%	USA
Spacetalk Inc	Body corporate	USA	100%	USA

*Spacetalk Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the income tax consolidation regime. There are no partners in a partnership relationship, trustees in a trust relationship or participants in a joint venture relationship.

Shareholder Information
30 June 2025

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of shareholders	% of total shares issued	Number of shareholders	% of total shares issued
1 to 1,000	530	0.31	115	0.22
1,001 to 5,000	465	1.62	89	1.22
5,001 to 10,000	165	1.71	31	1.15
10,001 to 100,000	307	14.00	80	12.70
100,001 and over	95	82.40	26	84.70
	1,562	**100**	**341**	**100%**

All issued ordinary shares carry one vote per share. Each member present in person, or by proxy, representative or attorney, has one vote on a show of hands and one vote per share on a poll for each share held. Each member is entitled to notice of, and to attend and vote at, general meetings. Options do not carry a right to vote.

Equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
UBS Nominees Pty Ltd	21,560,471	29.5%
HSBC Custody Nominees (Australia) Limited	2,876,953	3.9%
J P Morgan Nominees Australia Pty Ltd	1,838,801	2.5%
Mr Simon Benedict Crowther	1,217,527	1.7%
Mr Christopher James Cameron	1,173,383	1.6%
Chmiel Super Pty Ltd	1,160,000	1.6%
Mr Stanislav Michael Kolenc	1,153,664	1.6%
Mr Adam John Slattery	1,041,667	1.4%
Speliza Investments Pty Ltd	1,007,244	1.4%
Dr Matthew Payne	972,751	1.3%
Hunt Prosperity Pty Ltd	950,000	1.3%
Mr Craig Stephen Boshier	934,875	1.3%
Yavern Creek Holdings Pty Ltd	917,000	130.0%
Sandhurst Trustees Ltd	838,904	1.1%
Coz-E Pty Ltd <Cossetto Family A/C>	800,000	1.1%
Mr Peter Cossetto & Mrs Annamaria Stefania Cossetto <Cossetto Family Super A/C>	760,000	1.0%
Mrs Rebecca Glasspool	759,773	1.0%
BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	745,541	1.0%
BNP Paribas Noms Pty Ltd	720,137	1.0%
Gleaneagle Securities (Australia) Pty Ltd	679,167	0.9%
	42,107,858	**186.2%**

	Number on issue	% of total shares issued
Options held by the twenty largest security holders over ordinary shares issued	15,618,151	81.5%

Substantial holders
There are no substantial holders in the company.

Restricted securities
There are no restricted securities.

On-market buy-back
Currently there is no on-market buyback of the Company's securities.