

ASX Announcement | 18 September 2023
Spacetalk Limited (ASX: SPA)

SPACETALK FORECASTS AT LEAST 80% REVENUE GROWTH FOR THE QUARTER ENDED 30 SEPTEMBER 2023

Highlights

- Revenue from continuing operations forecast to increase at least 80% vs prior corresponding period¹ ("pcp") to a minimum of \$3.3m.
- Spacetalk Mobile's (MVNO) rapid adoption continues to be a primary driver of revenue growth, with annualised revenue at current run rate forecasted to reach \$2.8m, and subscriber numbers to exceed 16,300 by the end of Q1.
- Effective joint retailer planning, and improved product mix achieved through the sale of Adventurer 2 at higher price points, have helped drive device revenue growth, which is forecasted to grow 397% pcp.

Spacetalk Limited (ASX: SPA) ("Spacetalk" or "the Company") is pleased to provide an update on its performance for the quarter ended September 30 (Q1 FY24) so far along with the following operational update.

Strong growth across key revenue streams

	Q1FY24	Q1FY23	Change	Change	
	\$m	\$m	\$m	%	
Device revenue	1.4	0.3	1.2	397%	↑
Spacetalk Mobile revenue	0.7	0.0	0.7	na	↑
App revenue	0.8	1.0	-0.2	-22%	↓
Schools revenue	0.4	0.6	-0.2	-30%	↓
Total revenue	3.3	1.8	1.5	80%	↑

¹ Prior corresponding period (pcp) relates to restated Q1 FY23 continuing operations.

Commenting on Spacetalk's performance, CEO & Managing Director Simon Crowther said:

"Q1 forecasted performance reflects the ongoing delivery of our turnaround strategy, which continues to deliver strong results from Q4FY23. A primary driver of these strong results is the shift in revenue towards recurring Spacetalk Mobile. Q1 Spacetalk Mobile revenue is forecast to grow by 17% compared to Q4FY23, underpinned by growth in subscribers. This shift to higher average revenue per user Spacetalk Mobile has driven the 22% decline in App revenue, resulting in overall revenue growth from the combined Spacetalk Mobile and App subscriptions of 50% vs pcp.

Whilst we finalise clearance of legacy Adventurer inventory, Adventurer 2 device sales performed well, constituting approximately 50% of device sales during the quarter. A disciplined approach to pricing will result in Q1 device margins performing favourably compared to prior corresponding period. The Adventurer clearance is expected to conclude in Q2FY24. We continue to focus on forward strategic planning with our current and new retail partners and working collaboratively to manage retail inventory levels.

The rebuild of the schools' product suite continues to progress with the upcoming launch of the new Spacetalk Schools app connecting educators and parents. The 30% forecasted decline is due to an uncharacteristically low SMS usage in July 2023 vs pcp. The Company is focused on future schools' business revenue growth.

Spacetalk is well placed to continue growth revenue and the introduction of new products as per the strategic plan, in Q2FY24 will set the company for sustainable revenue and cash generation growth."

For further information, please contact:

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About Spacetalk Limited (ASX: SPA)

Spacetalk Limited (ASX: SPA) is a software services and smartwatch hardware product developer. As a package, the company's technology platform provides a complete digital communication solution that supports safety and security for families across their life cycles and for employees working in remote settings. The company's unique proprietary ecosystem, which has continued to evolve over time, is today recognised as a leader in family safety and the connected wearables industry.

The Spacetalk technology platform comprises both market-leading hardware and a trusted, client-controlled software platform that provides safety and security to users via the benefits of mobile technology.

The multi-functional Software-as-a-Service Spacetalk App can be customised, giving clients the ability to enable or disable individual features. Parents are empowered to block their child's access to the open internet, social media and inappropriate adult content while simultaneously blocking calls and messages from unknown senders. The app can also track the location of vulnerable family members, including children and seniors requiring constant monitoring.

Spacetalk's best-in-class software platform additionally supports children's development by facilitating engaging, confidence-building experiences that the whole family can participate in and enjoy.

Spacetalk's core hardware, its smartphone-watch, is effectively a child's first mobile phone. It offers all the benefits of a smartphone, operating on a secure, private and parent-controlled ecosystem that can be customised to reflect each family's needs and values.

To learn more, please visit: www.spacetalk.co.

For more information



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