

ASX Announcement | 24 February 2025  
Spacetalk Ltd (ASX: SPA)

## Successful Loan Refinancing Eliminates Large Lump-Sum Payments

The new loan terms demonstrate lender's confidence in Spacetalk's turnaround

Spacetalk Ltd (ASX: SPA) ("Spacetalk" or "the Company") is pleased to announce that it has successfully renegotiated the terms of its existing \$5 million loan facility, enhancing financial flexibility and ensuring more growth capital is available over the term of the loan.

As at 31 December 2024, under the previous agreement, \$1,750,000 was classified as a current liability, payable within the next 12 months. Under the revised terms, only \$1,000,000 will now be classified as a current liability, effectively freeing up \$750,000 that would have otherwise been due within this period. This adjustment reduces near-term repayment obligations, providing greater flexibility to support growth initiatives.

### Loan Classification Adjustments & Amortisation Schedule

- Previous structure (as at 31 December 2024):
  - \$1,750,000 classified as a current liability
  - \$3,250,000 classified as a non-current liability
- New structure:
  - \$1,000,000 classified as a current liability
  - \$4,000,000 classified as a non-current liability

### Key Terms of the Refinanced Loan Facility

- Total loan balance remains at \$5,000,000.
- Repayment schedule:
  - From March 2025, \$100,000 will be repaid per month until February 2026.
  - From March 2026, repayments increase to \$125,000 per month until March 2027.
  - The remaining principal balance is due on 31 March 2027.
- Interest rate remains at 9.5% per annum.

## Covenants

- The group's minimum cash balance must remain at \$750,000 at all times.
- EBITDA covenants: Specific targets must be met quarterly from 30 June 2025 onwards.

## Warrant Adjustments

- As part of the refinancing agreement, the existing warrant for 9,000,000 shares, exercisable at \$0.23 and expiring on 18 March 2025, was cancelled.
- A new warrant for 9,000,000 shares, exercisable at \$0.23 and expiring on 31 March 2027, has been issued, subject to shareholder approval.

## Financial Impact & Strategic Benefits

- This reclassification provides greater financial flexibility, shifting more repayment obligations into the non-current portion, allowing Spacetalk to better allocate resources towards growth initiatives.
- Improved cash flow stability enhances the company's ability to navigate market conditions and execute its strategic plans.
- The restructured facility aligns with Spacetalk's long-term financial sustainability goals.

## Comments from Tim Callan, Portfolio Manager of Pure Asset Management:

"We have been impressed with Spacetalk's turnaround in recent periods. A strong foundation has been established by management, and we look forward to further growth and product enhancements over the coming year. Spacetalk's key markets of kids' safety and seniors are in structural growth, and furthermore, delivering a tangible outcome to users."

"As major shareholders and lenders of Spacetalk, PURE believe this support provides the Company with flexibility to execute on its growth plan, unlocking value for all stakeholders in the process."

**Spacetalk's CEO and Managing Director, Simon Crowther,** commented:

"We are grateful to PURE Asset Management because the new loan terms make it easier for us to manage our cash flow and invest in growth. The refinancing also demonstrates the confidence PURE has Spacetalk's future and our management team.

"This renegotiation strengthens Spacetalk's liquidity position. It allows us to reinforce our commitment to sustainable expansion and maintain financial discipline. Without having to make regular large lump sum repayments, capital can be efficiently allocated towards product development, market expansion, and operational improvements."

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The release of this announcement has been approved by Spacetalk's CEO, Simon Crowther, on behalf of the board of directors of the Company.

To keep up to date with company news and announcements, visit: [investorhub.spacetalk.co](https://investorhub.spacetalk.co)

For further information or investor enquiries, please contact: [investors@spacetalk.co](mailto:investors@spacetalk.co)

**Spacetalk Limited (ASX: SPA)**

Simon Crowther

CEO and Managing Director

[spacetalk.co](https://spacetalk.co)

**ABOUT SPACETALK LTD**

Spacetalk Ltd (ASX: SPA) develops and sells hardware and software to provide safety at every stage of life. Spacetalk offers families a suite of solutions: Australia's best-selling Kids Smart Watches (GFK Report July 2024: Total Sales of Kids Smartwatch in Australia), Spacetalk Mobile, Spacetalk App, and Adult Wearables. The Spacetalk ecosystem provides freedom with peace of mind. To learn more, please visit: [spacetalk.co](https://spacetalk.co)

## **FORWARD-LOOKING STATEMENTS**

This announcement may contain forward-looking statements. These statements are based on Spacetalk's expectations, estimates, and projections at the time the statements are made. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Actual outcomes and results may differ materially from those expressed or implied in these forward-looking statements. Spacetalk undertakes no obligation to update these statements for events or circumstances occurring after the date of this announcement.

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