

ASX Announcement | 6 March 2025

Spacetalk Ltd (ASX:SPA)

## Neuroscience Research Australia Licenses Watch Walk AI to Spacetalk to Detect Serious Health Risks from Wearable Device Data

Spacetalk will embed Watch Walk AI in a new Software-as-a-Service and Subscription App products for care providers, insurers and consumers

**Spacetalk Ltd (ASX:SPA)** ("Spacetalk" or "the Company") has signed an exclusive, worldwide licence for Watch Walk, an AI developed gait biomarker algorithm created by Dr. Lloyd Chan, Prof. Stephen Lord and A/Prof. Matthew Brodie and a combined University of New South Wales ("UNSW") and Neuroscience Research Australia ("NeuRA") team.

This agreement directly relates to several growth and innovation initiatives shared in Spacetalk's 1H25 Investor Update including:

- Rebuilding the Company's product and data technology architecture (Spacetalk 2.0)
- Development of the next generation of seniors' and kids' wearable devices
- Development of an AI predictive analytics health and wellbeing product, and
- Development of an interactive AI product.

The Company intends to incorporate Watch Walk AI insights into new Software-as-a-Service (SaaS) and Subscription App products that will use data from wearable devices to predict a user's risk of serious health conditions, including Dementia, Depression, Stroke, Heart Attack and Injurious Falls, and how these risks change over time. It is expected that additional indications will be added in the future, leading to applications for younger users and the whole family, delivering on the Company's strategic goal of safety at every stage of life.

This intellectual property licence will assist to drive momentum in Spacetalk's transformation from a loss-making kids' wearables business to a high growth data led predictive analytics, subscription software business as a result of the proposed launch of the new SaaS and Subscription App products.

Pending development and regulatory approvals, Spacetalk expects to launch the new software that incorporates NeuRA's Watch Walk AI algorithm during the 2026 financial year.

### Licence Agreement Terms

The Intellectual Property Licence Agreement between Spacetalk and NeuRA includes several key terms which are summarised below:

- Worldwide exclusive licence
- Three-year initial term with option for Spacetalk to extend for an unlimited number of successive periods
- Nominal fixed up front licence fee
- Royalty payment based on a sliding scale of gross margin on income derived from the sale of products utilising Watch Walk AI
- Requirement to meet product development and commercialisation milestones, including:
  - Creation of a product development plan within 60 days of licence commencement
  - Half yearly reporting aligned to product development plan
  - Right to terminate after 18 months if product development milestones are not met.

### Large and Rapidly Growing TAM

Licensing of Watch Walk AI enables Spacetalk to develop products for new markets, including the global seniors care AI market that is currently growing at 25.9% CAGR and is projected to be worth USD\$151 billion by 2030<sup>1</sup>, and the global wearable AI market that is currently growing at 27% CAGR and is projected to be worth USD\$260 billion by 2032<sup>2</sup>.

### Addressing Significant Economic and Care Challenges

High value focus areas include the early detection of serious health conditions that can deliver economic and health outcome benefits. Research by the Alzheimer's Association in the United States found that early diagnosis of Alzheimer's disease has the potential to save USD\$7.9 trillion in health care costs over the lifetime of the current US population<sup>3</sup>. In the UK dementia is now a leading cause of death (11.3% of all fatalities). Dementia care is projected to cost GBP£90 billion

<sup>1</sup> Future Data Sets: Artificial Intelligence In Aging and Elderly Care Market (2023)

<sup>2</sup> Fortune Business Insights: Wearable AI Market Size (2025)

<sup>3</sup> Alzheimer's Association: Alzheimer's Disease: Financial and Personal Benefits of Early Diagnosis (2018)

per annum by 2024, and potential care cost savings resulting from early diagnosis are estimated to be up to GBP£44,900 per person per annum<sup>4</sup>.

Falls are a leading cause of injury for older adults<sup>5</sup> and 30% of adults over 65 experiences at least one fall per annum<sup>6</sup>. Accurately predicting and identifying changes to injurious fall risk provides the opportunity for timely intervention, and potential cost savings, as injurious falls are estimated to cost AUD\$2494 per instance, and injurious falls in Australia's residential aged care system alone are estimated to cost AUD\$325 million per annum<sup>7</sup>.

In the UK it is estimated that improved detection of cardiovascular disease across the population could deliver cost savings to the National Health Service of GBP£68 billion<sup>8</sup>.

### **NeuRA's Research and IP Is World Leading**

NeuRA is an independent, not-for-profit medical research institute that has been at the forefront of neuroscience for over 30 years. The institute is 425 people strong, with 28 research groups and purpose-built facilities in the Randwick Health and Innovation Precinct, Sydney.

Dr. Lloyd Chan, a conjoint research fellow at the Institute, developed the algorithm and led the robust scientific research that underlies it. Also, a lecturer at the University of New South Wales, Dr. Chan has published papers on identifying and predicting health risks using gait data from wrist worn sensors in peer-reviewed journals such as Age and Ageing, Journal of the American Medical Directors Association, Sensors, and Scientific Reports.

Dr. Lloyd Chan holds a Doctor of Philosophy degree from UNSW, a Master's in Epidemiology and Biostatistics with Salutatorian honours from the Chinese University of Hong Kong, and a bachelor's degree in Physiotherapy with honours from the Hong Kong Polytechnic University<sup>9</sup>.

Prof. Stephen Lord is a Senior Principal Research Fellow at Neuroscience Research Australia, Sydney, Australia. He has published over 600 papers in the areas of balance, gait and falls in older people and is acknowledged as a leading international researcher in his field. His research follows two main themes: the identification of physiological risk factors for falls and the development and evaluation of fall prevention strategies. Key aspects of this research have been the elucidation of sensorimotor factors that underpin balance and gait and the design and evaluation of exercise programs for older people including those at increased risk of falls, i.e. people with Parkinson's disease, stroke, dementia and frailty. His methodology and approach

<sup>4</sup> Alzheimer's Society / Carnal Farrar: The growing impact of dementia and the importance of early diagnosis (2024)

<sup>5</sup> Centre for Disease Control: Older Adult Falls Data (2018-2024)

<sup>6</sup> Task Force on Global Guidelines for Falls in Older Adults: World guidelines for falls prevention and management for older adults: a global initiative (2022)

<sup>7</sup> Healthcare spending and factors associated with fall injury in Australia residential aged care: a cohort analysis (2024)

<sup>8</sup> What are the cost-savings and health benefits of improving detection and management for six high cardiovascular risk conditions in England? An economic evaluation (2018)

<sup>9</sup> NeuRA Website (2025)

to fall-risk assessment has been adopted by many researchers and clinicians across the world and he is actively engaged in initiatives aimed at implementing falls prevention evidence into policy and practice.

In December 2019, Stephen was awarded the Lifetime Achievement Award by the President of the British Geriatrics Society in recognition for his contribution to falls research<sup>10</sup>.

A/Prof. Matthew Brodie is a neuroscientist and engineer specialising in wearable technology and smart textiles for gait-related motor impairment. His contributions have earned 13 prizes, two research medals, 11 grants, and two fellowships. He leads the neurorehabilitation theme at UNSW, collaborating with researchers, industry partners, and stakeholders to advance healthcare through technology. His research spans motor impairment treatments, gait neurophysiology, fall prevention, 3D-printed orthoses, wearable health technology, and telemedicine. He currently has authored over 100 publications which have been cited more than 1,800 times.

**Professor Lord commented:** "I am delighted with this agreement as it will allow the translation of our research findings to the clinical care of people at risk of many health conditions."

**Dr. Chan commented:** "We plan to extend the current research to broaden the application of this work, both to frail older people and the younger population."

**Spacetalk Chief Executive Officer and Managing Director, Simon Crowther, commented:**

"Dr. Chan, Prof. Lord and A/Prof. Brodie have spent many years studying how to turn wearable device data into health insights. The way people walk, and move is a predictor of their health. The Watch Walk AI algorithm will make it possible to analyse gait and other data from Spacetalk wearable devices to predict health risks, enable timely care, and assist Spacetalk customers to preserve and improve their health. The Watch Walk AI algorithm will enable us to create software with capabilities not offered by any other company, anywhere in the world, to our knowledge. We expect our new software to be able to analyse data from Spacetalk wearable devices to help care providers take better care of participants and residents, insurers to offer options to reduce risk, and individuals and families to be aware of their health risks."

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<sup>10</sup> NeuRA Website (2025)

Incorporating the Watch Walk AI algorithm into our next generation software is another step forward in our global growth strategy and links directly to several product innovation initiatives shared in our 1H25 Investor Update.”

The release of this announcement has been approved by Spacetalk’s CEO and Managing Director, 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

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**ABOUT SPACETALK LIMITED**

Spacetalk Limited (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 Smartwatches (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.