



Investor Update | 11 July 2025

Spacetalk Ltd (ASX:SPA)

Spacetalk Secures \$3m in Growth Capital and Commitment to Reduce Debt by \$1m.

Spacetalk Ltd (ASX: SPA) ("Spacetalk" or "the Company") has secured capital to fund expansion and new products. Its largest shareholder, Thorney Investment Group ("Thorney"), is providing \$3 million in funding and its secured lender, has agreed to convert \$1m of existing debt.

The \$3 million investment by Thorney comes in exchange for new unsecured notes that convert into fully paid ordinary shares in the capital of the Company ("Shares") on the terms and conditions set out in the Annexure to this announcement ("Notes" or "Converting Notes"). The Converting Notes will be issued to, and subscription funds will be received from, Thorney within the next two business days.

The secured lender has agreed to suspend loan repayments until December 2025 and to convert \$1 million of existing secured debt into Converting Notes.

The Notes 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. A notice of meeting and an independent expert's report will follow in August.

The funds raised through the issue of Converting Notes will be used to continue international expansion, develop a new app ecosystem, design and develop new hardware and for working capital and general corporate expenses.

Simon Crowther, CEO of Spacetalk, said, "This support from our biggest equity holder and lender underlines their confidence in Spacetalk's strategy. Today's announcement permits us to fund growth and protect existing shareholders from immediate dilution."

Thorney's Executive Chairman Alex Waislitz OAM said "Thorney remains a long-standing supporter of Spacetalk's strategy and its mission to provide safety-focused technology to families. We are encouraged by the steps taken under Simon Crowther's leadership and pleased to strengthen our investment at this important point in the Company's evolution"

More Detailed Information

Thorney is a substantial shareholder in Spacetalk, holding, together with its associates, a relevant interest in 21,560,471 Shares (being a 29.6% voting power in the Company). Thorney and its associates have agreed to subscribe to 3,000,000 Notes each with a face value of \$1.00 for an aggregate investment of \$3,000,000.

Subject to shareholder approval, interest will be payable quarterly through the issue of Shares priced at the greater of \$0.08 per share and the VWAP of shares trading during the relevant quarter. At the conversion date of 31 July 2026, the Notes will convert to Shares at a conversion price of the lower of \$0.14 per share or the share price in a future raise, with a floor price equal to the greater of the 30-day VWAP prior to conversion and \$0.08. In the event the Notes and accrued but unpaid interest do not convert on 31 July 2026, the Company will be in default and the holders may require that the Company redeems the Notes for cash.

As conversion of the Converting Notes held by Thorney will cause Thorney's voting power in the Company to increase from a starting point above 20%, conversion will be subject to shareholder approval under item 7 of section 611 of the *Corporations Act 2001* (Cth) ("Corporations Act"), which will require that an independent expert's report is prepared and dispatched to shareholders to opine on whether the transaction is fair and reasonable to non-associated shareholders.

The Company's existing senior secured lender, Pure Asset Management ("Pure"), has agreed to subscribe for 1,000,000 Notes in conversion of \$1,000,000 in secured debt currently owing by the Company, which will take immediate effect upon the issue of Converting Notes to Pure.

Further, Pure has 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.

Pure and the Company are currently in the process of finalising documentation to give effect to these amendments, which Pure has acknowledged to be binding through provision of a deed poll in favour of the Company.

The issue of Converting Notes to Pure will be subject to shareholder approval under ASX Listing Rule 7.1, provided that the Company may waive that condition in which case conversion of the Converting Notes issued to Pure will be subject to shareholder approval.

As all issues of shares in connection with the Converting Notes issued to Thorney (including interest obligations and conversion of the principal amount), and the up-front issue of the Converting Notes to Pure, is subject to shareholder approval, the Converting Notes will not impact upon the Company's placement capacity under the ASX Listing Rules.

A summary of the material terms and conditions of the Notes is attached in the Annexure to this announcement.

Additional Notes Offer

Spacetalk may raise additional funds through the issue to sophisticated and institutional investors of additional Notes on the same material terms, which may include directors and management of the Company. Any issue of additional Notes is expected to be subject to shareholder approval, for the purposes of ASX Listing Rules 7.1 or 10.11 (as applicable) and Chapter 2E of the Corporations Act (if required).

**** END****

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

For further information or investor enquiries, please contact: investors@spacetalk.co

Spacetalk Limited (ASX: SPA), Level 2, 104 Frome St, ADELAIDE, SA, AUSTRALIA, 5000

Simon Crowther, CEO and Managing Director

www.spacetalk.co

ABOUT SPACETALK LIMITED

Spacetalk Limited (ASX: SPA, ACN 091 351 530) 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: www.spacetalk.co

For personal use only

ANNEXURE – TERMS AND CONDITIONS OF CONVERTING NOTES

The Company has entered into subscription agreements (“Agreement”) with each of Thorney (and its associates) and Pure (each, a “Noteholder”) under which the Noteholder will be issued Converting Notes that will convert into Shares.

The material terms of the Agreement and the Converting Notes are set out below:

| CLAUSE | TERMS |
|---|---|
| Face Value | AUD\$1.00 (“Face Value”). |
| Subscription Date | Thorney – Two (2) business days following execution of the Agreement Pure – Five (5) business days following receipt of all necessary shareholder and regulatory approvals (or waiver by the Company), which is to occur within 6 months from the date of the Agreement. (each, the “Subscription Date”) |
| Conversion Date | 31 July 2026 (or such later date as agreed between the parties) (“Conversion Date”). |
| Security | Unsecured. |
| Conversion Price | The Face Value of each Converting Note will convert into Shares at a conversion price equal to the lesser of: (a) \$0.14; and (b) the issue price of Shares under any equity raise prior to the Conversion Date under which the Company raises a minimum of \$2,000,000 (Capital Raising), (“Conversion Price”), subject to the Floor Price (defined below). |
| Floor Price | A floor price shall apply to any conversion of the Converting Notes, which shall be the greater of: (a) \$0.08; and (b) the 30-day volume weighted average price of Shares (“VWAP”) on the Conversion Date, (“Floor Price”). |
| Securities Attaching to Capital Raising | If options or other equity securities are issued as attaching securities under a Capital Raising that results in a change to the Conversion Price, upon conversion of the Converting Notes, each Noteholder will also receive attaching securities on the same ratio and with the same terms as are issued under the Capital Raising. The Company will liaise with ASX, and seek shareholder approval if necessary, to the extent that any Capital Raising may result in an issue of convertible securities on conversion of the Notes, prior to completing any such Capital Raising. |
| Interest | Interest shall accrue at the rate of 10% per annum from the Subscription Date until the Converting Notes are either redeemed or converted. Subject to shareholder approval: |

| CLAUSE | TERMS |
|-----------------------------------|--|
| | <p>(a) interest for each calendar quarter prior to the Conversion Date will be payable through an issue of Shares on the date that is 5 business days following the end of each calendar quarter ("Interest Payment Date") at an issue price per Share equal to the greater of \$0.08 and the VWAP for the relevant calendar quarter ("Interest Conversion Price"); and</p> <p>(b) interest for the period from the last Interest Payment Date until the Conversion Date will be payable through an issue of Shares on the Conversion Date, provide that the Interest Conversion Price shall be equal to the greater of \$0.08 and the VWAP for the period from the final Interest Payment Date until the Conversion Date.</p> <p>Other than where the Notes are issued with prior shareholder approval, the parties acknowledge and agree that any issue of Shares in satisfaction of interest accrued prior to the Company having received prior shareholder approval under ASX Listing Rules 7.1 or 10.11 and item 7 of section 611 of the Corporations (as applicable) and in the event shareholder approval is not effective on an Interest Payment Date, the Company's interest payment obligations shall be deferred until such time as shareholder approval has been obtained and shall otherwise be payable on the Conversion Date.</p> |
| Redemption | The Company will be required to redeem the Converting Notes for their Face Value (plus any accrued but unpaid interest) within 10 business days of a demand by the Noteholder on the occurrence of an Event of Default (as defined below) which has not been remedied within the prescribed time ("Redemption Date"). |
| Early Redemption | <p>The Company may redeem the whole or part of the Converting Notes for their Face Value (plus any accrued but unpaid interest) on any day prior to the Conversion Date or Redemption Date, on giving not less than 14 days prior written notice to the Noteholder ("Prepayment Notice").</p> <p>If a Prepayment Notice is issued, the Noteholder may elect to convert the Converting Notes (subject to shareholder approval, to the extent not already obtained) and in the event shareholder approval is not forthcoming the Company must redeem the Converting Notes within 5 business days following the shareholder meeting.</p> |
| Conversion | <p>Upon conversion, the number of Shares to be issued will be calculated by dividing the Face Value of the Converting Notes by the Conversion Price and dividing any accrued but unpaid interest by the applicable Interest Conversion Price, with any fractional Shares rounded down to the nearest whole number.</p> <p>A Noteholder cannot be issued Shares on conversion if it would result in the Noteholder (or their associates) holding a relevant interest in 19.99% or more of the Company's Shares, unless an exemption under section 611 of the Corporations Act applies, including for the avoidance of doubt shareholder approval under item 7 of section 611 of the Corporations Act.</p> |
| Subsequent Capital Raising | If, at any time prior to the Conversion Date, the Company issues notes convertible into Shares to any other investor on terms more favourable than those contained in the |

| CLAUSE | TERMS |
|-------------------------|---|
| | Agreement, the Company shall promptly notify the Noteholder of such issuance and the Noteholder shall have 10 business days to elect to have the terms of the Agreement amended to match the more favourable terms offered to such other investor, with such changes as are required to ensure that all requisite shareholder and regulatory are incorporated. |
| Reconstruction | In the event the Company undertakes a reconstruction of its issued capital, the number of Shares issued on conversion shall be adjusted accordingly to ensure the parties' rights and liabilities are not affected. |
| Event of Default | <p>It is an event of default, whether or not it is within the control of the Company, where:</p> <ul style="list-style-type: none">(a) Failure to pay or convert: the Company fails to pay or repay any amount due by it under the Agreement and the Company does not remedy the failure within 7 days, after receipt by the Company of a notice from the Noteholder specifying the failure;(b) Remediable failure: the Company fails to perform or observe any material undertaking, obligation or agreement expressed in the Agreement and the Company does not remedy such failure within 14 days, after receipt by the Company of a notice from the Noteholder specifying the failure;(c) Non-remediable failure: the Company fails to perform or observe any other material undertaking, obligation or agreement expressed or implied in the Agreement and that failure is not remediable; or(d) Insolvency event: an insolvency event occurs in respect of the Company, (together, the "Events of Default"). |