

ASX Announcement | 29 July 2025
Spacetalk Ltd (ASX: SPA)

Quarterly Activities Report, Business Update and Appendix 4C
for the quarter ended 30 June 2025

Spacetalk Ltd (ASX: SPA) (“Spacetalk” or “the Company”) is pleased to provide its Appendix 4C for the quarter ended 30 June 2025 (4QFY25) along with an operational update¹.

Financial Highlights:

- **Paid Mobile Subscriber Growth:** Paid subscribers for Spacetalk Mobile (MVNO) grew to 44.4k in 4QFY25, up from 30.9k in 4QFY24 – **a 44% year-on-year increase**. This growth reflects the ongoing appeal and strong performance of the Spacetalk Mobile offering.
- **Annual Recurring Revenue (ARR) Growth:** ARR grew to \$12.1m in 4QFY25, **up 25%** from \$9.7m in 4QFY24. The shift toward higher-quality, recurring revenue is now embedded across the business, with all hardware sales now linked to a recurring revenue component.
- **Revenue performance for the quarter:** increased by \$0.7m to **\$5.0m in 4QFY25**, up 15% from \$4.3m in 4QFY24. The increase was primarily driven by uplift in activity within the MVNO segment.
- **Positive Net Cash Generation from Operating Activities Before Inventory Growth:** Operating cash flow before inventory and inventory related investments was **\$2.9m in 4QFY25, an improvement of \$1.8m compared to \$1.1m in 4QFY24**, reflecting the strengthening of the company’s underlying ability to generate cash from core operations.
- **Strong increase in Inventory and service enabling purchases due to international expansion:** Inventory-related payments were \$3.3m in 4QFY25, up \$3.0m from \$0.3m in 4QFY24. The increase was driven by inventory purchases to support our international expansion, strategic procurement of end-of-life components ahead of our next hardware launch, and service enabling costs.

¹ Comparatives for 4QFY24 have been adjusted to align with FY24 audited financial statements.

- **Continued Operating Payments Reduction:** Payments excluding inventory were \$2.5m in 4QFY25, a **7% reduction** from \$2.7m in 4QFY24. This reflects the continued cost discipline and benefits from rightsizing initiatives across the business, achieved alongside a 16% increase in operating revenue – demonstrating improved operating leverage.
- **Improved Revenue Quality:** Recurring revenue for the quarter reached \$3.3m, representing **66% of total revenue**, up from 55% in 4QFY24. Recurring revenue grew 37% year-on-year, highlighting the ongoing shift toward higher-quality, predictable revenue streams driven by growth in mobile subscriptions.
- **Capital Raised:** Raised \$1.3m (before costs) capital to fund stated strategic objectives of expanding internationally, developing next generation hardware and developing a new app.
- **International Expansion:** Expanded sales and business development, via a capital-light, ecommerce-first land and expand strategy, across Europe, the UK, Singapore, the USA, Canada, and New Zealand. Each device sale generates a new subscription, setting the foundation for a growing multiplier effect as we prepare to launch a new app, new hardware, and an AI-driven health and wellbeing wearable for seniors.

Spacetalk Chief Executive Officer and Managing Director Simon Crowther said:

"I am pleased to update you on Spacetalk's progress for the April to June 2025 quarter. This period showed the continued strength of our recurring revenue model, disciplined operations, and momentum towards building a global family safety business.

Paid mobile subscribers grew to 44.4k as of 30 June 2025, up 44% year-on-year, highlighting the strong adoption of Spacetalk Mobile. Quarterly revenue increased 15% to \$5.0 million, with Annual Recurring Revenue rising 25% to \$12.1m compared to the prior year.

To support the execution of our strategic objectives, we raised \$1.3m from institutional investors in April 2025. Following the end of the quarter, on 11 July 2025, we secured a further \$3m investment from our largest shareholder, Thorney Investment Group, through the issue of new unsecured converting notes. In addition, our secured lender, Pure Asset Management, agreed to convert \$1m of existing secured debt into converting notes and has suspended loan repayments until December 2025. These measures provide immediate growth capital and improve our debt profile, signaling strong confidence from both our largest equity holder and lender in Spacetalk's strategy and long-term outlook.

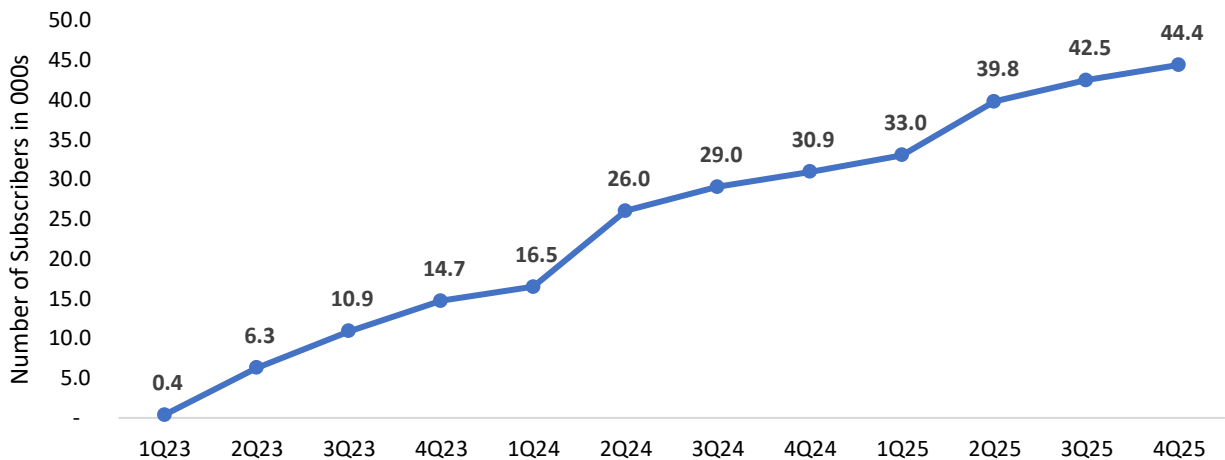
Our subscription model remains central to our strategy, driving engagement and recurring revenue, and is further supported by the upcoming release of our next-generation app and devices. We continue to expand internationally with disciplined investment, prioritise new product launches, focus on growing our recurring revenue mix, and maintain strong cost

control. The quarter's performance reflects improving fundamentals and global ambition, and we remain committed to delivering value for shareholders through sustainable growth."

Recurring revenue

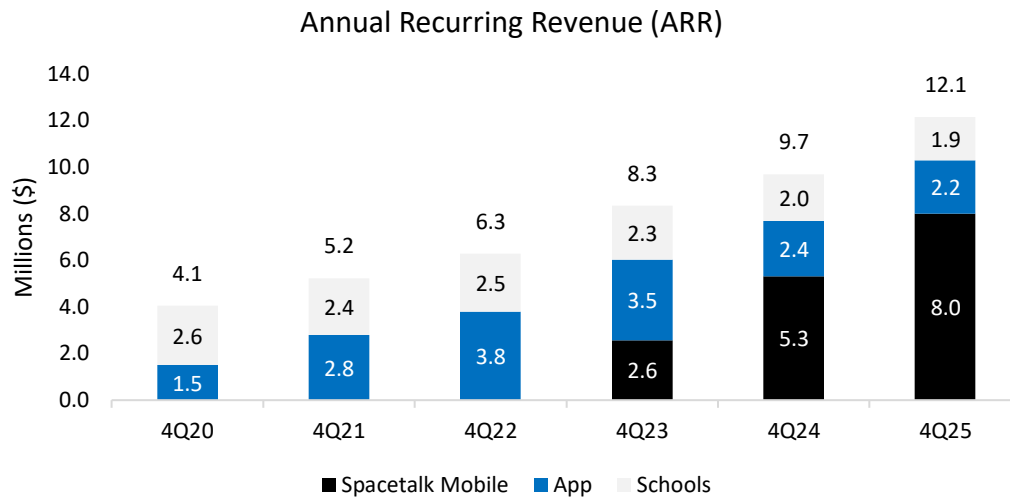
Spacetalk recorded a 44% year-on-year increase in paid mobile subscribers, reaching 44.4k in 4QFY25, up from 30.9k in 4QFY24. Quarter-on-quarter growth of 4.5% in 4QFY25 further demonstrates consistent momentum. Each new hardware sale drives recurring revenue and deeper engagement within the Spacetalk ecosystem – reinforcing the scalability and strength of our business model. At Quarter end, more than 50% of Spacetalk mobile customers were on annual plans, supporting greater customer longevity and increasing lifetime value across the platform.

Paying Mobile Subscriber Growth



Growth in recurring revenue

Annual Recurring Revenue (ARR) increased by 25% vs PCP to \$12.1m (4QFY24: \$9.7m), reflecting our focus on building sustainable, high-quality recurring revenue streams across the business.



- **ARR from Spacetalk Mobile** grew by 51% vs PCP to \$8.0m (4QFY24: \$5.3m), driven by strong subscriber growth. 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 from the App** decreased slightly to \$2.2m (4QFY24: \$2.4m). While more customers are transitioning to the mobile subscription model, app engagement remains high, with the majority of users now accessing the app as part of their mobile plan rather than through a standalone subscription. This shift supports platform-wide engagement and reinforces the mobile-first strategy.
- **ARR from Schools** decreased slightly to \$1.9m (4QFY24: \$2.0m), in line with expectations as we manage this offering in run-off mode, with state governments progressively insourcing these services.

The focus remains on **maximizing recurring revenue** and increasing customer lifetime value. Ongoing initiatives, including the development of a new app-Spacetalk 2.0, new features, aim to further enhance the customer experience and support this strategic transition while maintaining high-quality, sustainable growth.

Revenue and Gross Profit Highlights²:

Revenue	4Q25	4Q24	Var %	FY25	FY24	Var %
Spacetalk Mobile	2,058	1,306	58%	6,968	4,523	54%
Apps	573	566	1%	2,412	2,882	(16%)
Schools	642	516	24%	1,866	1,830	2%
Recurring revenue	3,273	2,388	37%	11,246	9,235	22%
Devices	1,684	1,883	(11%)	8,512	8,187	4%
Seniors	2	54	(96%)	63	59	6%
Corporate	13	-	n/a	496	432	15%
Total revenue	4,972	4,325	15%	20,317	17,913	13%

Gross profit	4Q25	4Q24	Var %	FY25	FY24	Var %
Spacetalk Mobile	1,057	706	50%	3,644	1,984	84%
Apps	462	444	4%	1,687	2,459	(31%)
Schools	600	464	29%	1,759	1,761	(0%)
Recurring gross profit	2,119	1,614	31%	7,090	6,204	14%
Devices	601	568	6%	2,803	2,386	17%
Seniors	2	53	(96%)	60	37	62%
Corporate	13	-	n/a	496	422	18%
Total gross profit	2,735	2,235	22%	10,449	9,049	15%
Gross margin %	55%	52%	3%	51%	51%	-

Key movements

- Revenue grew by 15% year-on-year to \$5.0m in 4QFY25 (4QFY24: \$4.3m), driven by strong growth in mobile revenue.
- Device revenue declined by 11% to \$1.7m, primarily due to intra-quarter timing of retail sales orders compared to PCP. Importantly, full year device revenue grew to \$8.5m in FY25 up 4% from \$8.2m in FY24.
- Spacetalk Mobile revenue grew 58% to \$2.1m, driven by customer retention and ongoing expansion in the subscription base. Gross profit increased by a comparable 50% to \$1.1m.
- Apps revenue was stable, up 1% to \$0.6m, with gross profit increasing by 4% to \$0.5m.
- Schools revenue grew 24% to \$0.6m in 4QFY25 (4QFY24: \$0.5m), albeit off a low base. While this reflects near-term growth, the long-term outlook for the Schools segment remains one of managed decline, as state governments progressively insource these services.

Strategic product development continues, with Spacetalk App 2.0 in the pipeline to further integrate and support device, mobile, and software offerings. While the Seniors segment remains nascent, it is a key future focus as new partnerships are activated.

² FY25 financial figures are unaudited and subject to finalisation.

Cashflow from Operating & Investing Activities

- Net Cash Generated From (used in) Operating Activities Before Inventory Growth: Operating cash flow before inventory investments was \$3.0 million in 4QFY25, an improvement of \$1.8m from \$1.2 million in 4QFY24, reflecting the strengthening of the company's underlying ability to generate cash from core operations.
- Investing activities increased to \$0.5m (4QFY24: \$0.3m) for the quarter, reflecting continued investment in strategic growth initiatives, including app development and product innovation.

Financing Activities:

- Completed a \$1.3m share placement that was subscribed by institutional and wholesale investors, with settlement completed on 11 April. The funds were used to support ongoing growth initiatives.
- During the quarter, we continued to pay \$100k to Pure per month, reducing the debt of the company by \$300k.

Related Party Payments

Payments to related parties and their associates during the quarter amounted to \$132k, and this related to aggregate remuneration paid to all Directors of the company for the period.

This ASX announcement has been authorised by the Spacetalk Ltd Board of Directors.

To keep up to date with company news and announcements visit investorhub.spacetalk.co.

For further information or investor enquiries, please contact:

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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: www.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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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Spacetalk Ltd

ABN

93 091 351 530

Quarter ended ("current quarter")

June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,342	18,800
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(3,260)	(9,260)
(c) advertising and marketing	(485)	(1,699)
(d) leased assets	6	(103)
(e) staff costs	(1,131)	(5,480)
(f) administration and corporate costs	(762)	(5,052)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(119)	(598)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	26	503
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(383)	(2,889)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant, and equipment	(67)	(89)
(d) investments	-	-
(e) intellectual property	(449)	(1,462)
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant, and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(516)	(1,551)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,186	4,522
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(307)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(300)	(400)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	886	3,815
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,160	1,770
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(383)	(2,889)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(516)	(1,551)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	886	3,815
4.5	Effect of movement in exchange rates on cash held	1	3
4.6	Cash and cash equivalents at end of period	1,148	1,148

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	987	499
5.2	Call deposits	161	661
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,148	1,160

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1*	132
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

* Aggregate amount paid to all Directors of the entity including salary, directors fees, consulting fees and superannuation.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	4,600	4,600
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	4,600	4,600
7.5	Unused financing facilities available at quarter end		NIL
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <div style="border: 1px solid black; padding: 10px;"> <p>As at 30 June 2025</p> <p>Debt Facility: \$4.6m</p> <p>The facility in place is a term loan from Pure Asset Management with the following key terms:</p> <p>KEY TERMS:</p> <ul style="list-style-type: none"> • Interest rate: 9.50% • Maturity date: March 2027 <p>AMORTISATION SCHEDULE:</p> <ul style="list-style-type: none"> • March 2025 – February 2026 repay \$0.100m per month • March 2026 – March 2027 replay \$0.125m per month • 31 March 2027 Final payment of outstanding capital <p>FINANCIAL COVENANTS:</p> <ul style="list-style-type: none"> • Minimum cash balance: cash to exceed \$750,000 at all times. • EBITDA covenants: Specific targets to be met quarterly from 30 June 2025 onwards. <p>On 11 July 2025</p> <p>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.</p> <p>Further, Pure committed to the following additional arrangements in respect of its existing secured loan facility:</p> <ul style="list-style-type: none"> • 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. </div>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(383)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,148
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,148
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.0
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

29 July 2025

Date:

By the Board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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