ASX Announcement
Spacetalk Ltd. (ASX: SPA)
8 January 2021

Business Update

Spacetalk Ltd. (ASX:SPA) ("Spacetalk" or "the Company"), developer of innovative technologies that keep families safe and connected, is pleased to provide the following update on H1FY21 revenue. The update is based on unaudited management accounts and compares results with the prior corresponding period.

	H1FY21
Group revenue	**$8.2 million, up 8%**
Spacetalk Wearables revenue	**$7.2 million, up 13%**
Devices revenue	**$6.3 million, up 8%**
App revenue	**$0.9 million, up 75%**
App annualised recurring revenue ("ARR")	**$2.3 million, up 76%**
MGM Schools revenue	**$1.0 million, down 15%**

Spacetalk recorded its highest ever half of Group revenue of $8.2 million (+8%), driven by the Spacetalk Wearables division continuing to strongly grow sales and consolidate its market share leadership in the category.

Sales during Black Friday and Cyber Monday set a Company record. More Spacetalk devices were sold in this Christmas period than during any prior corresponding period.

In Q2FY21 the Company delivered on our strategy of bringing the new and state-of-the-art Spacetalk Adventurer to market in time for Christmas sales, and further expanded sales channels for our product suite with new and existing tier-1 retail partners. Key achievements included:

- Launch of Spacetalk Adventurer, the Company's new, next generation 4G Kids smartphone GPS watch;
- New Spacetalk App, featuring group Family Chat with pictures and video, advanced health and fitness, and enhanced parent controls;
- Spacetalk Kids ranging at Harvey Norman; and
- Spacetalk Life's first bricks and mortar retail distribution through JB Hi-Fi.

Spacetalk Adventurer was released through JB Hi-Fi and the Company's online store on 10 December 2020, where in its first two weeks of sales and prior to the commencement of advertising campaigns, Spacetalk Adventurer sales exceeded Spacetalk Kids unit sales.

Leading into the launch of Spacetalk Adventurer, the Company strategically repositioned Spacetalk Kids at a lower recommended retail price to engage mass-market appeal for Spacetalk Kids and to differentiate its value proposition from the next generation Spacetalk Adventurer. The strong revenue result over the quarter, with Spacetalk Kids selling at the reduced price point, delivered a strong uplift in unit sales, further consolidating our position as market leader.

MGM Schools revenue was down primarily due to the change in timing of invoicing of a large Government contract, which will now occur in March 2021.

The Company plans to release audited H1FY21 results for the period ending 31 December 2020 on Tuesday, 16 February 2021, and hold an investor conference call on Tuesday, 16 February 2021 to discuss the results.

Spacetalk CEO Mark Fortunatow said: "It has been a very good half for our business. The Company delivered record sales, launched our ground breaking new Spacetalk Adventurer Kids watch, ranged our seniors Spacetalk Life watch with retailers, and released the new Spacetalk App, creating a very strong foundation for an exciting future for our business. Strong continuing growth in Spacetalk App ARR is indicative of the ongoing practical benefits our products deliver to users; and we expect this to continue to build as Spacetalk devices sold through the Christmas sales period lead to increased App user adoption through 2021.

It is an extremely exciting period in the history of our Company, where we expect to see in 2021 the benefit of the strategic investments we have made during 2020, to bring to market new products, onboard new channel partners, and develop go-to-markets for new geographies.

Thank you to all of our customers, employees, suppliers, partner distributors and retailers, shareholders and supporters who helped us achieve another great half year"

This announcement has been authorized by Spacetalk CEO Mark Fortunatow.

For more information, please contact:

Investor Enquiries
Vivek Miranda – Head of Investor Relations and Corporate Development
VMiranda@spacetalkwatch.com
M: +61 401 462 712

Media Enquiries
Megan Coleman – Business Manager
MColeman@spacetalkwatch.com
M: +61 407 215 292

About Spacetalk Ltd.

Spacetalk Ltd. (ASX: SPA) is a global technology provider of secure communication solutions for families to stay connected and protected.

Spacetalk's range of all-in-one smartphone GPS watches for children (Spacetalk Kids and Spacetalk Adventurer) and seniors (Spacetalk Life) are purpose built with tailored features, design qualities and best practice data encryption, security and privacy technologies, for families to stay confidently connected. Fun, fashionable, secure and technologically advanced, Spacetalk devices deliver confidence for the child and senior wearer, enhanced controls for the guardian, and engaging functionalities for the whole family to stay connected.

The Spacetalk App is designed to provide a family environment for fun, engaging and secure media consumption beyond its device control functionalities for the guardian. Every linked contact – parents, grandparents, extended family members and friends – regardless of whether they are Android or iOS users, can interact with linked Spacetalk devices and each other through the Spacetalk App.

Spacetalk was founded in 2001 and listed on the ASX in 2003 as MGM Wireless Limited, which developed the world's first SMS student absence notification platform for schools and went on to become Australia's most successful school messaging company. On 12 November 2020 the Company changed its name to Spacetalk Ltd.

To learn more about the Spacetalk devices and app platform, and the Company, please visit: https://www.spacetalkwatch.com/. Investor Centre: https://investors.spacetalkwatch.com/.