ASX Announcement
Spacetalk Ltd. (ASX: SPA)
19 March 2021

$5 Million Loan Facility

Highlights

- **Inaugural $5 million corporate loan facility**
- **Competitive and flexible terms**
- **Strong lender validation of Spacetalk's growth strategy, with an option to acquire shares issued at a 173% premium to the close price on 17 March 2021**
- **Strengthens balance sheet and provides the Company with immediate funding to execute on Spacetalk's global market opportunity**

Spacetalk Ltd. (ASX:SPA) ("Spacetalk," "Company" or "Group"), developer of innovative technologies that keep families safe and connected, is pleased to announce it has entered into an agreement with PURE Asset Management Pty Ltd ("PURE" or "Lender") to provide Spacetalk access to a loan facility of up to $5 million.

This line of credit is immediately accessible and strengthens the balance sheet, providing the Company with funding to execute on Spacetalk's global market opportunity.

PURE director Tim Callan commented: "We are excited about entering into a partnership to support Spacetalk, to further scale its market leading ANZ business and expand globally. Connected smartwatches is the fastest growing market for wearables and is forecast to grow at high double-digit CAGR over the next decade. Spacetalk benefits from a significant early-mover moat in the connected smartwatches niche for kids and seniors, having built strong brand equity, network effect, and a dominant market share. We are excited to see the Company fully funded and ready to seize what we view as a global opportunity."

The $5 million loan facility is split into:

I. $3 million term loan facility ("Term Loan") together with an option requiring the Company to issue 11 million shares exercisable at 30 cents, a 173% premium to the closing share price on 17 March 2021; and
II. $2 million bridging facility ("Bridge Facility").

Key terms of the Term Loan and Bridge Facility are provided in the following table –

Structure	Term Loan, with detached warrant Bridge Facility, available until 31 December 2021
Size	Total: $5,000,000 Term Loan: $3,000,000 Bridge Facility: $2,000,000
Interest rate	Term Loan: 9.50% Bridge Facility: 12.50%
Term	Term Loan: 48 months Bridge Facility: 24 months
Repayment	Non-amortising bullet repayment Voluntary prepayment(s) subject to cascading fees
Warrant	Number: option to require the Company to issue 11,000,000 shares Exercise price: Lower of - • $0.30; and • an Adjusted Price insofar as there are future issue(s) of equity securities exceeding 15% of the number of shares on issue in Spacetalk (on a diluted basis) immediately prior to the new issue(s), in any 12-month period Term: 48 months from utilisation of Term Loan Cash settlement option: At Spacetalk's election for up to 50% of the option to acquire shares, as an alternative to issuing shares
Security	First ranking general security over all present and after-acquired property of the Company and subsidiaries
Use of proceeds	Purchase of inventory, geographic expansion, brand investment, working capital and general corporate purposes of the Group or any other purpose(s) approved by the Lender in writing

Spacetalk CEO Mark Fortunatow said: "We are delighted with the establishment of this inaugural loan facility. It represents a significant milestone for Spacetalk, broadening the capital structure with a competitive new source of funding for the Company. The flexible terms of the loan and alignment with a supportive lender in PURE Asset Management is a strong validation of our growth plans. It is an extremely exciting time for Spacetalk as our expanded product suite continues to print strong top-line growth. The Company is now looking beyond our category leadership in ANZ to the massive global market opportunity. We look forward to providing shareholders with more insights on these positive developments, for which this funding will be utilised."

This announcement has been authorized by Spacetalk CEO Mark Fortunatow.

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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/.