ASX Announcement
Spacetalk Ltd. (ASX: SPA)
26 July 2021

Article published by The Australian Financial Review on July 25, 2021

Spacetalk Ltd. (ASX:SPA) ("Spacetalk" or "Company"), refers to an article published by The Australian Financial Review ("AFR") on 25 July 2021, reporting on employment termination proceedings commenced by a former employee, Mr Ian Hume.

The AFR article references various claims about the Company and its operations attributed to the former employee, and the Company is concerned the claims could lead to a false market in its securities. The following information is provided in the interests of preventing that.

- The AFR article makes reference to various Company forecasts and targets. The Company has not published a revenue forecast, unit sales forecast or unit sales target (aspirational or otherwise). As such, any reference in the AFR article to such forecasts or targets should be disregarded.
- The Company can confirm that it manages its inventory to support its internal sales budgets. The global supply chain has presented challenges for the technology sector over the past year, but Spacetalk has worked with suppliers to ensure the Company's needs are met.
- The Company reported record revenue for the periods in question ($3.9m in Q3 FY21 (up 105% pcp) and $3.0m in Q4 FY21 (up 173% pcp)) and the recently completed financial year ($15.1m, up 43% pcp), predominantly driven by device sales revenue of $10.6m in FY21 (up 65% pcp), which could not have been achieved without adequate inventory levels.

Spacetalk confirms the lawsuit referred to in the AFR article was served on the Company on July 26, 2021, after the article was published by the AFR. The Company is obtaining legal advice regarding the lawsuit.

The Company wishes to make clear that it does not presently assess the lawsuit as material to the earning capacity or asset base of the business, irrespective of whether the matter is ultimately resolved against or in favour of the former employee. In the event this materiality assessment changes, the Company will update the market accordingly.

Mr. Hume was dismissed prior to completion of his six month Probationary Period and in accordance with the terms of his Employment Agreement. Notice of Termination was provided by SMS, however that was after the Company was unable to contact Mr. Hume by phone call and email.

This announcement has been authorized by Spacetalk CEO Mark Fortunatow.

For more information, please contact:

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

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/.