SPACETALK LTD.

1Q2023 Business Update

Three Months Ended 30 September 2022

SPACETALK

Connected Families • Confident Kids • Safe Seniors



Important notice

This presentation has been prepared by Spacetalk Ltd. (“Spacetalk,” or “Company,” or “SPA”).

Information contained in this presentation:

- is intended to be general background information only, and is not intended that it be relied upon as advice to investors or potential investors and is not an offer or invitation for subscription, purchase, or recommendation of securities in Spacetalk
- should be read in conjunction with Spacetalk’s financial reports and market releases on ASX
- may include forward-looking statements about Spacetalk and the environment in which Spacetalk operates, which are subject to significant uncertainties and contingencies, many of which are outside the control of Spacetalk – as such undue reliance should not be placed on any forward-looking statements as actual results or performance may differ materially from these statements
- includes statements relating to past performance, which should not be regarded as a reliable guide to future performance
- includes certain financial information which Spacetalk considers useful to assist in evaluating Spacetalk’s performance, however, such information has not been subject to audit or review in accordance with Australian Auditing Standards

All dollar values are in Australian dollars (A$) unless otherwise stated.

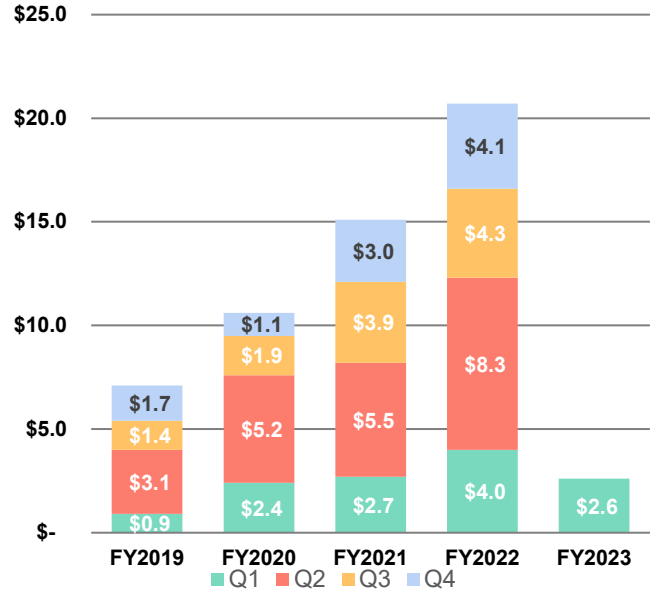
Definitions:

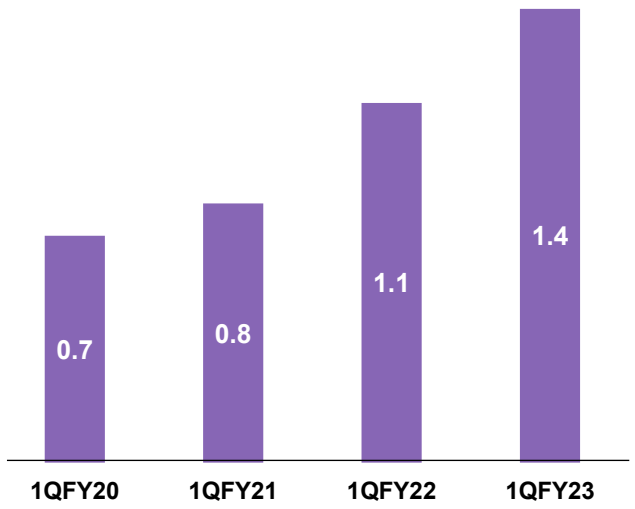
- 1Q2023 = first quarter 2023 financial year ended – period end 30 September 2022

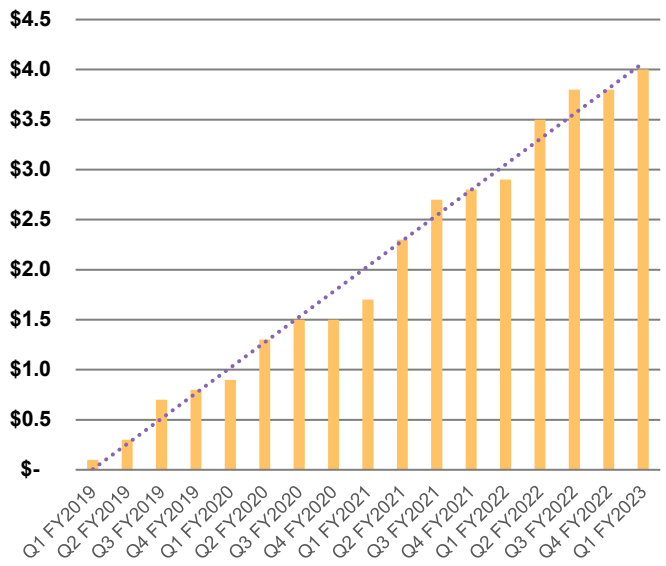
SPACETALK

1Q2023 Financial Highlights

GROUP REVENUE **$2.6m** **-36% pcp** **1Q2022: $4.0m**

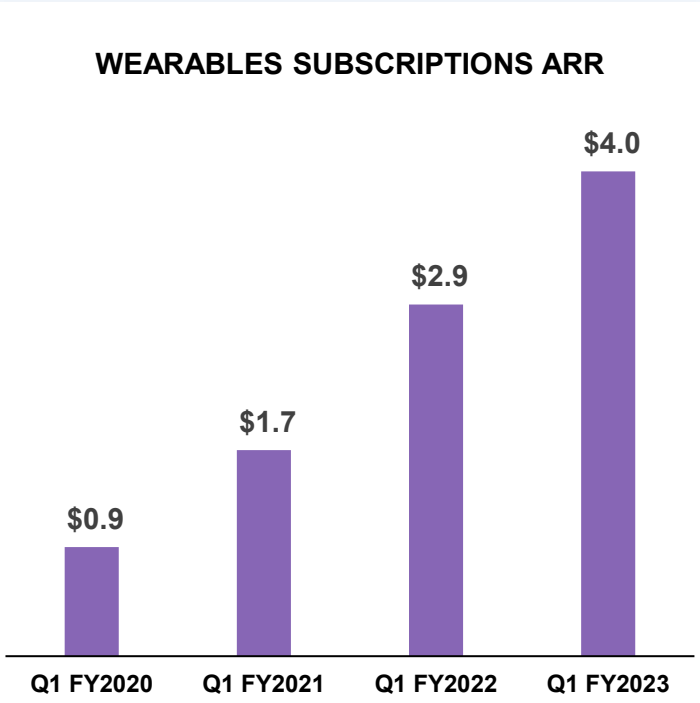


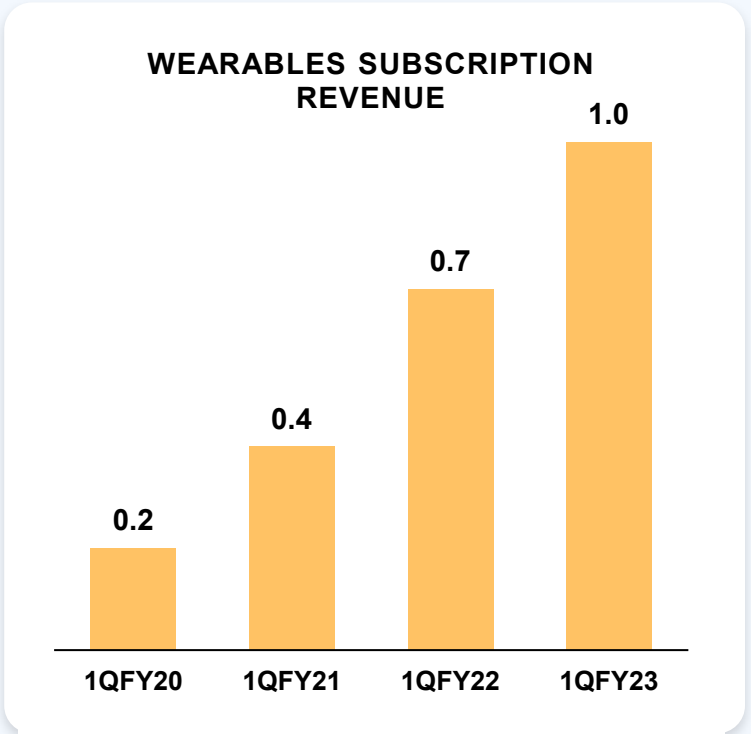


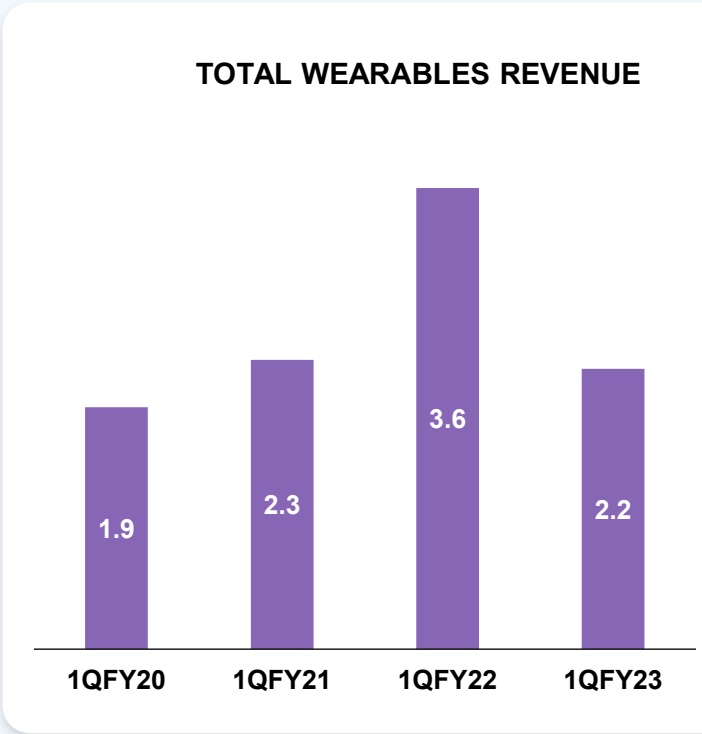


Strong Subscription Revenue Contribution

WEARABLES ARR **$4.0m** **+41% pcp** **1Q2022: $2.8m**







SPACETALK

Key 1Q2023 Financial Metrics

WEARABLES REVENUE

$2.2m

- 41% pcp

1Q2022: $3.6m

SCHOOLS REVENUE

$0.4m

+ 11% pcp

1Q2022 : $0.4m

WEARABLES DEVICE REVENUE

$1.2m

- 60% pcp

1Q2022: $2.9m

WEARABLES SUBSCRIPTION REVENUE

$1.0m

+ 40% pcp

1Q2022 : $0.7m

WEARABLES SUBSCRIPTION ARR

$4.0m

+ 41% pcp

1Q2022 : $2.8m

MARKETING EXPENSE

$0.3m

- 25% pcp

1Q2022 : $0.4m

GROSS PROFIT

$1.5m

- 39% pcp

1Q2022 : $2.4m

GROSS PROFIT MARGIN

57%

CASH AT BANK AT 30 SEP 2022 **$2.7m**



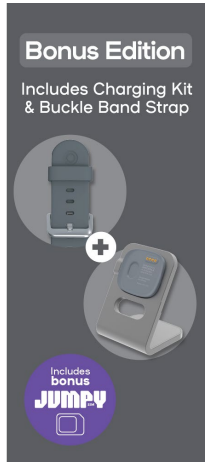
SPACETALK

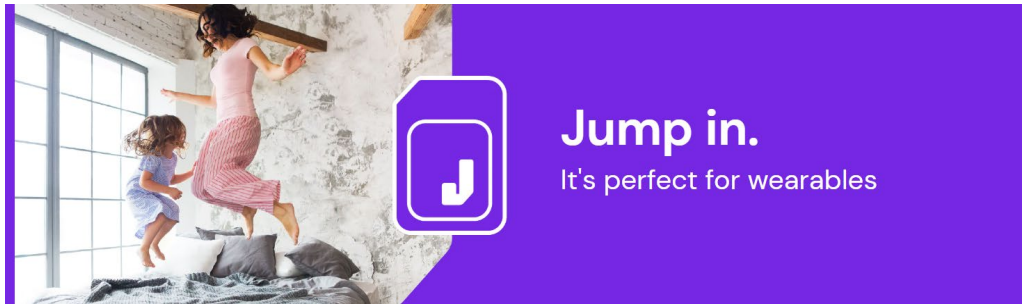
Post 1Q2023 Close

- Spacetalk Adventurer system upgrade
- Spacetalk Adventurer Bonus Edition
- BestBuy US in-store
- JumpySIM US and AU progress









Distribution Partners and Gateways



Strategic and Leadership Transition

- Focus on cash flow sustainability
  - Strategy review – estimated completion November 2022
  - Cost base optimisation – cost savings of >$2.0m per annum annualised identified to be implemented in 2QFY2023
  - Reviewing capital needs based on lower cost base and working with lender on the relevant covenants

Thank You



Connecting families | safe | engaging | reliable

This announcement has been authorized by the Spacetalk Board.

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.

Investor Centre: https://investors.spacetalkwatch.com/

Investor Enquiries
Dimitri Burshtein
Investor Relations and Corporate Development
+61 493 041 751
dburshtein@spacetalkwatch.com

SPACETALK



spacetalkwatch.com