

## 1. Company details

Name of entity:	Spacetalk Ltd
ACN:	091 351 530
Reporting period:	For the half year ended 31 December 2025
Previous period:	For the half year ended 31 December 2024

## 2. Results for announcement to the market

		2025	2024	Change
Revenues from ordinary activities (\$'000)	Down	9,257	9,844	(6%)
Loss from ordinary activities after tax attributable to owners of Spacetalk Limited (\$'000)	Down	(5,507)	(991)	456%
Loss for the year attributable to owners of Spacetalk Limited (\$'000)	Down	(5,507)	(1,038)	431%

### Dividends

There were no dividends paid, recommended or declared during the current financial period.

## Brief Explanation on Results

Please refer to the Interim Financial Statements, Review of Operations on pages 3 to 7.

## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(6.0)	(6.8)

## 4. Control gained over entities

Not applicable.

## 5. Loss of control over entities

Not applicable.

## 6. Dividends

### Current period

There were no dividends paid, recommended or declared during the current financial period.

### Previous period

There were no dividends paid, recommended or declared during the previous financial period.

## 7. Dividend reinvestment plans

Not applicable.

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## 8. Details of associates and joint venture entities

Not applicable.

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## 9. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

The Group includes subsidiaries incorporated in the United States, the United Kingdom and New Zealand.

The consolidated financial statements are prepared in accordance with Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). No separate accounting policies or reconciliations to foreign accounting standards have been required for these subsidiaries.

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## 10. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

Not applicable

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## 11. Attachments

*Details of attachments (if any):*

The Interim Financial Statements of Spacetalk Limited for the half year ended 31 December 2025 are attached.

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## 12. Signed



Georg Chmiel  
Chair

Date: 25 February 2026

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# **Spacetalk Limited**

**ABN 93 091 351 530**

**Consolidated Half Year Financial Statements  
for the period ended 31 December 2025**

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## Corporate Directory

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<b>Registered Office</b>	Level 2 104 Frome Road Adelaide SA 5000
<b>Principle place of business</b>	Level 2 104 Frome Road Adelaide SA 5000 <b>Email:</b> Investors@spacetalk.co
<b>Share registry</b>	Boardroom Pty Ltd  Level 8, 210 George Street Sydney NSW 2000, Australia <b>Telephone:</b> 1300 737 760 <b>Overseas Callers:</b> +61 2 9290 9600 <b>Email:</b> enquiries@boardroomlimited.com.au
<b>Auditor</b>	RSM Australia Partners
<b>Stock Exchange listing</b>	Spacetalk Ltd shares are listed on the Australian Securities Exchange (ASX code:SPA)
<b>Website</b>	<a href="https://spacetalk.co">https://spacetalk.co</a> <a href="https://investorhub.spacetalk.co">https://investorhub.spacetalk.co</a>

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# Review of operations & financial results

## PRINCIPAL ACTIVITIES

Spacetalk Limited is Australia's leading provider of connected safety solutions for families, offering an integrated ecosystem of mobile devices, software, and services that deliver peace of mind at every life stage. Our mission is simple yet powerful: to keep families safe, connected, and supported—wherever life takes them. As a package, our technology platform provides a complete digital communication solution that supports safety and security for families across their life stages. Our unique proprietary ecosystem, which has continued to evolve over time, is today recognised as a leader in family safety and the connected wearables industry.

The Spacetalk technology platform comprises both market-leading hardware and a trusted, client-controlled software platform that provides safety and security to users via the benefits of mobile technology. The multi-functional SaaS Spacetalk App can be customized, giving clients the ability to enable or disable individual features. Parents are empowered to block their kids access to the open internet, social media, and inappropriate adult content while simultaneously blocking calls and messages from unknown senders. The app can also monitor the location of vulnerable family members, including children and seniors, bringing enhanced peace of mind for the entire family.

## KEY PERFORMANCE HIGHLIGHTS

Income statement (\$'000):	1H26	1H25	% Change
Total income	10,145	10,299	(1%)
Revenue from continuing operations	9,257	9,844	(6%)
Gross profit from continuing operations	4,605	4,786	(4%)
Total expenses from continuing operations	(8,788)	(5,359)	64%
Adjusted EBITDA <sup>1</sup>	(4,248)	(56)	≥1,000%
Discontinued operations	-	(47)	(100%)
Loss after income tax attributable to the owners of Spacetalk	(5,507)	(1,038)	431%
<b>Quality of Revenue</b>			
Annual Recurring Revenue(\$m)	12.0	11.0	9%
Active Mobile Subscribers ('000)	57.4	45.6	26%

1. Adjusted EBITDA disclosure is in line with AASB18, which dictates disclosure of alternative performance metrics. Adjusted EBITDA is defined as earnings before interest, tax, depreciation, and amortisation ("EBITDA"), further adjusted by adding back or deducting specific items that are considered non-operational, infrequent, or non-cash, such as restructuring costs, impairment charges, or other one-off income/expenses. In Spacetalk's case, adjusted EBITDA excludes fair value of derivatives, share based payments and costs related to debt restructuring. Management believes that this adjusted EBITDA is transparent and linked to corporate strategy.

Adjusted EBITDA reconciliation	1H26	1H25
<b>Loss from continuing operations before income tax</b>	<b>(5,507)</b>	<b>(991)</b>
Depreciation and amortisation expense	1,132	639
Net interest expense	1,080	235
Loss/(gain) on fair value of derivatives	(1,209)	(114)
Share based payments	256	175
Costs relating to debt restructuring	-	-
<b>Adjusted EBITDA</b>	<b>(4,248)</b>	<b>(56)</b>

## FINANCIAL PERFORMANCE

### Summary update

The half-year represented a significant and transformational period for the Company, marked by the execution of its strategic pivot from a device-led business to a software-led, SaaS model underpinned by recurring revenues. During the period, the Company completed the initial phase of a complex re-platforming, culminating in the launch of its new platform and technology stack. Further optimisation and refinement of core functionality is ongoing and scheduled for completion in 2H26.

As part of the platform rollout, the Company implemented Customer Value Management (CVM) capabilities to enhance customer engagement, retention and lifecycle management. CVM is expected to support improved Average Revenue Per User (ARPU), Customer Lifetime Value (CLTV) and reduced churn, contributing to sustainable growth in Annual Recurring Revenue (ARR).

Following the transition to a software-led model, the Company has developed a growing, qualified pipeline of enterprise software opportunities at various stages of maturity. Subject to commercial and contractual processes, the Company expects to progress a number of these opportunities in the coming months. On this basis, the Company reconfirms its previously stated ARR guidance of \$20–25 million in the calendar year 2026.

The new platform has unlocked enterprise software opportunities not previously accessible under the Company's hardware-led model. Over time, the software-led approach is expected to deliver improved scalability, margin expansion, operating leverage and stronger cash generation due to lower working capital intensity.

To support the re-platforming, the Company prioritised investment in software capabilities over near-term hardware growth. As a result, together with timing impacts from retailer ordering patterns, device revenue declined by 19% to \$3.8 million in 1H26 (1H25: \$4.7 million). Total income remained stable at \$10.1 million (1H25: \$10.3 million), with the decline in device revenue offset by a 29% increase in recurring mobile subscription revenue to \$3.9 million (1H25: \$3.0 million).

The Company continues to progress its long-term strategy, with the new platform providing a scalable foundation for future growth, expected to be increasingly driven by recurring software revenues and strategic telecommunications partnerships.

### Revenue Growth & Margin Expansion

For the half year ended 31 December 2025, total revenue from continuing operations was \$9.3m representing a 6% decrease compared to the prior corresponding period. The decline primarily reflected timing-related softness in device sales, while underlying performance across recurring revenue streams remained strong.

Mobile subscribers increased by 26%, from 45.6k in 1H25 to 57.4k in 1H26, demonstrating continued execution against the Company's strategy to build a high-margin, recurring revenue model. Subscriber growth was driven by a combination of new customer acquisitions and strong retention. As a result, Spacetalk Mobile revenue increased by 30% to \$3.9m, compared with \$3.0m in the prior corresponding period.

The revenue mix continued to shift toward subscription-based services, particularly mobile subscriptions. While app revenue declined by 18%, this reflected customer migration to Spacetalk Mobile plans which include bundled app access. The app remains a core component of the ecosystem, and the launch of the enhanced platform during the period supported increased subscriber growth, higher engagement, and improved retention, contributing positively to annual revenue (ARR) over time.

ARR increased by 9% to \$12.0m, driven by continued growth in subscription services and reinforcing the Company's transition toward sustainable, high-quality recurring revenue. Active Spacetalk Mobile subscribers increased to 57.4k in 1H26, up from 45.6k in 1H25, representing 26% growth and supporting a scalable, capital-efficient growth model.

Gross margin remained stable at 50%, reflecting the increasing contribution from higher-margin subscription revenues and supporting the Company's ongoing transition to a software-led business model.

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	1H26		1H25		PCP Change	
	Revenue	Gross Profit	Revenue	Gross Profit	Revenue	Gross Profit
Devices	3,761	1,398	4,613	1,369	(18%)	2%
Mobile	3,926	1,957	3,040	1,625	29%	20%
Apps	1,004	778	1,220	865	(18%)	(10%)
Schools	566	472	918	877	(38%)	(46%)
Seniors	-	-	53	50	(100%)	(100%)
<b>TOTAL</b>	<b>9,257</b>	<b>4,605</b>	<b>9,844</b>	<b>4,786</b>	<b>(6%)</b>	<b>(4%)</b>

### Operating Expenses

Operating expenses increased by 64% to \$8.8m in 1H26 (1H25: \$5.4m), reflecting a focussed investment in supporting the Company's strategic growth initiatives and transition to a software-led, hardware-enabled business model. The increase operating expenses primarily relates to targeted resourcing and capability build-out, increased advertising and marketing to support international expansion, brand awareness, and the successful launch of the new app platform.

Following a sustained period of rightsizing in prior periods, the Company commenced measured reinvestment during 1H26 to support its evolving operating model. Investment was focused on strengthening technology capabilities and expanding sales and marketing capacity ahead of the first iteration of the new platform.

Corporate and administration expenses increased to \$3.6m (1H25: \$1.5m), largely attributable to international expansion and the app launch. This included higher commercial costs associated with business development activities across international markets, increased consulting costs to support customer operations during the platform transition, legal costs related to international expansion and marketing initiatives, and higher software subscriptions to support customer engagement and support functions.

Advertising and marketing expenses increased to \$1.8m (1H25: \$0.9m), reflecting investment in e-commerce channels to drive brand awareness and customer acquisition in new international markets, as well as external agency support associated with the app launch.

Employee benefits expenses increased to \$4.4m (1H25: \$3.2m), driven by increased investment in engineering resources associated with the new app and marketing resources to support platform development, product innovation and international growth initiatives.

### Cash Flow

Receipts from customers increased by 28% to \$10.1 million in 1H26 (1H25: \$7.9 million), reflecting an improving revenue mix with a higher proportion of recurring mobile subscription revenue collected at point of sale. This shift continues to support more predictable and efficient cash flow management.

Cash paid to suppliers and employees increased in line with the Company's targeted reinvestment to support its growth strategy, including additional resourcing, platform development, international expansion and brand-building initiatives.

Cash outflows for the purchase of intangible assets increased from \$0.7 million in 1H25 to \$1.9 million in 1H26, reflecting investment in the new app platform, enhanced scalability, and the launch of a new website, as part of the ongoing refinement and optimisation of core functionality.

As a result, net cash outflows before financing activities increased to \$5.8 million (1H25: \$2.3 million), consistent with the Company's deliberate investment in its strategic transformation to a software-led, hardware-enabled business model.

The successful equity raising during the period strengthened the balance sheet and provided additional liquidity to support ongoing operations and future growth initiatives. The Company ended the period with cash and cash equivalents of \$1.5 million, positioning it to continue executing its strategic objectives while maintaining financial stability.

	1H26	1H25	% Change
<b>Summary cash flow statement (\$'000)</b>			
Receipts from customers	10,154	7,957	28%
Cash Paid to suppliers and employees <sup>1</sup>	(14,462)	(9,262)	56%
<b>Net cash used in operating activities</b>	<b>(3,818)</b>	<b>(1,666)</b>	<b>129%</b>
Purchase of intangible assets	(1,964)	(652)	201%
<b>Cash used in investing activities</b>	<b>(1,970)</b>	<b>(659)</b>	<b>199%</b>
Cash flow before financing activities	(5,788)	(2,325)	149%
<b>Cash flow from financing activities</b>	<b>6,176</b>	<b>2,971</b>	<b>108%</b>
Net increase in cash and cash equivalents	389	649	-40%
<b>Cash and cash equivalents at period end</b>	<b>1,538</b>	<b>2,419</b>	<b>-36%</b>

1. Cash Paid to suppliers and employees includes inventory purchases and service enabling investments of \$6.8m in 1H26 compared to \$2.9m in 1H25.

#### GROWTH STRATEGY

The Company continues to execute its growth strategy focused on building sustainable, high-margin recurring revenue while maintaining a capital-light approach to market entry and expansion.

Key growth initiatives include:

- **Scalable Telco SaaS Model:** The Company has developed a growing pipeline and is progressing discussions with multiple large global telecommunications providers regarding potential partnerships to distribute Spacetalk's family safety platform to their customer bases. These discussions demonstrate strong strategic alignment and increasing market interest in Spacetalk's software-led SaaS model. Successful execution of one or more partnerships would represent a significant milestone, embedding the platform within telco ecosystems, accelerating subscriber growth and materially expanding the Company's addressable market.
- **Recurring Revenue Growth:** Spacetalk Mobile delivered 29% revenue growth compared to 1H25, driven by continued subscription adoption. More than 56% of customers are on annual plans, supporting improved retention, customer lifetime value and revenue predictability.
- **International Expansion:** The Company has rolled out e-commerce capability across Europe, the UK, Singapore, the USA, Canada and New Zealand using a capital-light, e-commerce-first "land and expand" strategy. The next phase involves establishing a selective retail presence in targeted markets through anchor retail partnerships to support distribution, brand awareness and e-commerce conversion. A pipeline of potential anchor partners has been developed across priority markets.
- **Seniors Market Opportunity:** As part of its ecosystem expansion, the Company is increasing its focus on the growing seniors market. Leveraging its existing technology and subscription model, Spacetalk sees an opportunity to deliver long-term value to this expanding demographic. Sibyl, the Company's AI-enabled seniors device, offers fall prediction, emergency alerts and predictive health insights, targeting the "sandwich generation" and expanding the addressable market across B2C and B2B segments. A pilot is scheduled for 1H27.
- **Operational Efficiency:** The Company continues disciplined cost management with flexibility to scale as required. Inventory levels support positive operating cash flow, while the transition to a SaaS-led model reduces working capital intensity and enhances operating leverage.

Spacetalk's combination of scalable partnerships, recurring revenue growth, product innovation and operational discipline positions the Company well to execute its strategy and deliver sustainable long-term growth.

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**EVENTS AFTER THE REPORTING DATE**

Subsequent to the reporting period, the Group intends to raise funds. The Company is currently engaging with stakeholders and providers of capital, and the Directors are confident of the Group’s ability to raise additional funds and/or capital as is necessary to meet obligations as they fall due.

**SUMMARY OF KEY BUSINESS RISKS**

The Group operates in a highly competitive and rapidly changing sector, which provides both opportunities and challenges. While some of these challenges and risks may be out of the Group’s control, we have made, and continue to make investments in our risk management and control frameworks to ensure we can respond to and mitigate the impact of these risks as they arise, whether they result from regulatory changes, shifts in the competitive environment, or other circumstances over which the Group has no control.

MATERIAL RISK AREAS	WHAT WE ARE DOING TO MANAGE THE RISK
<p><b>Capital and funding</b>            Challenges in securing sufficient debt and equity funding could impact our ability to effectively execute our strategy.</p>	<ul style="list-style-type: none"> <li>• Regular communications and close relationship with debt fund</li> <li>• Close management of cash flow.</li> <li>• Actively engaging with shareholders and broader equity market</li> </ul>
<p><b>Strategic</b>            Staying responsive to shifts in the competitive landscape is essential. Ensuring our strategic actions are well-aligned with these changes will help maintain our market position.</p>	<ul style="list-style-type: none"> <li>• Regular discussions of strategy and strategic initiatives with the Board.</li> <li>• Periodic measurement of results against targets.</li> <li>• Strengthen capability with experts who possess a good command of the environment.</li> </ul>
<p><b>Technology</b>            Underinvesting in developing and maintaining systems which support innovation and growth.</p>	<ul style="list-style-type: none"> <li>• Clear definition of technology roadmap.</li> <li>• Understanding changing customer needs and responding with the necessary technology improvements.</li> </ul>
<p><b>People</b>            Attracting and retaining staff who align with our culture and can drive innovation and customer-focused solutions.</p>	<ul style="list-style-type: none"> <li>• Remuneration and benefits structure to retain and attract top talent.</li> <li>• Clear and consistent on our culture and values.</li> </ul>
<p><b>Macroeconomic</b>            Staying attuned to broader economic and retail trends is important to ensure our strategy remains relevant and effective.</p>	<ul style="list-style-type: none"> <li>• Analyse and monitor economic and retail conditions, at a minimum, to identify shifts and take steps to manage potential impacts.</li> </ul>
<p><b>Environment and climate:</b>            Proactively understanding and addressing environmental risks and impacts will be vital to our long-term sustainability.</p>	<ul style="list-style-type: none"> <li>• Review processes and practices to reduce impact on the environment.</li> <li>• Develop reporting on our environmental footprint.</li> </ul>

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Spacetalk Limited and its controlled entities for the half year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

**RSM AUSTRALIA PARTNERS**



**G N Sherwood**  
Partner

Sydney, NSW

Dated: 25 February 2026

## INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Spacetalk Limited

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the accompanying half-year financial report of Spacetalk Limited which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Spacetalk Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Spacetalk Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$5,439,000 and had net cash outflows from operating and investing activities of \$3,818,000 and \$1,970,000 respectively during the half-year ended 31 December 2025. As of that date, the Group's current liabilities exceeded its current assets by \$8,053,000, and the Group's total liabilities exceeded its total assets by \$6,357,000. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the Spacetalk Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**RSM AUSTRALIA PARTNERS**



**G N Sherwood**  
Partner

Sydney, NSW

Dated: 25 February 2026

In the directors' opinion:

- The attached condensed half-year financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the six-month period ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Georg Chmiel

Chair

25 February 2026

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Statement of Profit or Loss and Other Comprehensive Income

Figures in \$ '000

	Notes	31 December 2025	31 December 2024
Revenue from continuing operations	2	9,257	9,844
Cost of sales	2	(4,652)	(5,058)
<b>Gross profit</b>		<b>4,605</b>	<b>4,786</b>
Other income		888	455
<b>Expenses from continuing operations</b>			
Corporate and administration		(3,596)	(1,476)
Advertising and marketing		(1,794)	(882)
Employee benefits expense		(4,366)	(3,245)
Share based payments		(256)	(175)
Gain on derivative liability	9	339	114
Gain on fair value of embedded derivative	8	870	-
Gain on foreign exchange		15	306
<b>Total expenses from continuing operations</b>		<b>(8,788)</b>	<b>(5,358)</b>
<b>Loss from continuing operations before depreciation and amortisation, interest and income tax expense</b>		<b>(3,295)</b>	<b>(117)</b>
Depreciation and amortisation expense		(1,132)	(639)
<b>Loss from continuing operations before interest and income tax expense</b>		<b>(4,427)</b>	<b>(756)</b>
Interest income		3	6
Interest expense		(202)	(241)
Imputed interest on converting note	8	(881)	-
<b>Loss from continuing operations before income tax expense</b>		<b>(5,507)</b>	<b>(991)</b>
Income tax expense		-	-
<b>Loss after income tax expense from continuing operations</b>		<b>(5,507)</b>	<b>(991)</b>
Loss after income tax expense from discontinued operations		-	(47)
<b>Loss after income tax expense for the period attributable to the owners of Spacetalk Limited</b>		<b>(5,507)</b>	<b>(1,038)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation		68	(367)
<b>Other comprehensive loss for the period, net of tax</b>		<b>68</b>	<b>(367)</b>
<b>Total comprehensive loss for the period attributable to the owners of Spacetalk Limited</b>		<b>(5,439)</b>	<b>(1,405)</b>

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Statement of Profit or Loss and Other Comprehensive Income

Figures in \$ '000

	Notes	31 December 2025	31 December 2024
<b>Total comprehensive loss for the period is attributable to:</b>			
Continuing operations		(5,439)	(1,358)
Discontinued operations		-	(47)
		<u>(5,439)</u>	<u>(1,405)</u>
<b>Earnings per share from continuing and discontinuing operations attributable to owners of Spacetalk Limited</b>			
<b>Basic and diluted earnings per share (cents)</b>			
Basic and diluted loss per share from continuing operations		(6.69)	(2.46)
Basic and diluted loss per share from discontinuing operations		-	(0.09)
		<u>(6.69)</u>	<u>(2.55)</u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the attached notes.

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Consolidated Statement of Financial Position as at 31 December 2025

Figures in \$ '000	Notes	31 December 2025	30 June 2025
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,538	1,149
Trade and other receivables	4	2,048	1,563
Inventories		2,190	1,692
Other current assets		1,863	1,416
<b>Total current assets</b>		<b>7,639</b>	<b>5,820</b>
<b>Non-current assets</b>			
Property, plant and equipment		112	118
Right-of-use assets		10	101
Intangible assets	5	3,724	2,561
<b>Total non-current assets</b>		<b>3,846</b>	<b>2,780</b>
<b>Total assets</b>		<b>11,485</b>	<b>8,600</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	5,254	4,267
Contract liabilities		2,688	2,262
Provisions		1,305	789
Derivative liabilities	9	488	826
Lease liabilities		11	40
Borrowings	10	1,450	1,300
Converting notes - Host liability	8	3,475	-
Converting notes - Embedded derivative	8	1,021	-
<b>Total current liabilities</b>		<b>15,692</b>	<b>9,484</b>
<b>Non-current liabilities</b>			
Lease liabilities		-	79
Borrowings	10	2,150	3,300
<b>Total non-current liabilities</b>		<b>2,150</b>	<b>3,379</b>
<b>Total liabilities</b>		<b>17,842</b>	<b>12,863</b>
<b>Net liabilities</b>		<b>(6,357)</b>	<b>(4,263)</b>
<b>Equity</b>			
Issued capital	6	48,814	45,544
Accumulated losses		(54,996)	(50,083)
Reserves		(175)	276
<b>Total deficiency</b>		<b>(6,357)</b>	<b>(4,263)</b>

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Statement of Changes in Equity

Figures in \$ '000	Issued capital	Foreign currency translation reserve	Share based payment reserve	Accumulated loss	Total
<b>Balance at 1 July 2024</b>	40,802	46	830	(45,540)	(3,862)
<b>Changes in equity</b>					
Loss for the year	-	-	-	(1,038)	(1,038)
Other comprehensive income	-	(367)	-	-	(367)
Total comprehensive income for the year	-	(367)	-	(1,038)	(1,405)
<i>Transactions with owners in their capacity as owners</i>					
Shares issued	3,340	-	-	-	3,340
Capital raising costs	(306)	-	-	-	(306)
Conversion of rights to shares	458	-	(458)	-	-
Transfer of shared based payment reserve to issued capital	65	-	(65)	-	-
Employee rights expense	-	-	174	-	174
<b>Balance at 31 December 2024</b>	<b>44,359</b>	<b>(321)</b>	<b>481</b>	<b>(46,578)</b>	<b>(2,059)</b>

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Statement of Changes in Equity

Figures in \$ `000	Issued capital	Foreign currency translation reserve	Share based payment reserve	Accumulated loss	Total
<b>Balance at 1 July 2025</b>	45,544	(389)	665	(50,083)	(4,263)
<b>Changes in equity</b>					
Loss for the year	-	-	-	(5,507)	(5,507)
Other comprehensive income	-	68	-	-	68
Total comprehensive income for the year	-	68	-	(5,507)	(5,439)
<i>Transactions with owners in their capacity as owners</i>					
Shares issued under placement	1,500	-	-		1,500
Shares issued on the conversion of converting notes and accrued interest	2,093	-	-	-	2,093
Cost of shares issued	(504)	-	-	-	(504)
Lapsed rights and Expired options	-	-	(594)	594	-
Employee rights and options expense	-	-	256		256
Conversion of rights to shares	181	-	(181)	-	-
<b>Balance at 31 December 2025</b>	<b>48,814</b>	<b>(321)</b>	<b>146</b>	<b>(54,996)</b>	<b>(6,357)</b>

The above Statement of Changes in Equity should be read in conjunction with the attached notes

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# Spacetalk Limited

Consolidated Financial Statements for the period ended 31 December 2025

## Statement of Cash Flows

Figures in \$ `000

	Note	31 December 2025	31 December 2024
<b>Cash flows used in operations</b>			
Cash receipts from customers		10,154	7,957
Cash paid to suppliers and employees		(14,462)	(9,262)
Interest paid		(402)	(361)
Interest received		4	-
Government grants and tax incentives		888	-
<b>Net cash flows used in operating activities</b>		<b>(3,818)</b>	<b>(1,666)</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment		(6)	(7)
Purchase of intangible assets		(1,964)	(652)
<b>Cash flows used in investing activities</b>		<b>(1,970)</b>	<b>(659)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of converting notes		5,180	-
Proceeds from issue of shares		1,500	3,341
Costs associated with issue of shares		(504)	(307)
Repayments of lease liabilities		-	(63)
<b>Cash flows from financing activities</b>		<b>6,176</b>	<b>2,971</b>
<b>Net increase in cash and cash equivalents before effect of exchange rate changes</b>			
		<b>388</b>	<b>646</b>
Effect of exchange rate changes on cash and cash equivalents		1	3
<b>Net increase in cash and cash equivalents</b>		<b>389</b>	<b>649</b>
Cash and cash equivalents at beginning of the period		1,149	1,770
<b>Cash and cash equivalents at end of the period</b>		<b>1,538</b>	<b>2,419</b>

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Notes to the financial statements

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### 1. Material accounting policy information

#### (a) Statement of compliance

The condensed half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include all the information required for an annual financial report and shall be read in conjunction with the most recent annual financial report.

The annual financial report of the company as at and for the year ended 30 June 2025 is available on the Company's website at [www.spacetalk.co](http://www.spacetalk.co).

#### (b) Basis of preparation

The Consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2025 annual financial report for the financial year ended 30 June 2025 except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### (c) Amendments to Accounting Standards and new interpretations that are mandatorily effective for the current reporting period

There are none that have a material impact for the Group to consider for the reporting period ended 31 December 2025.

#### (d) (i) Critical accounting judgements and estimates

In preparing the interim financial statements, management is required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these judgements, estimates and assumptions.

Except for the classification and fair value of the converting notes, the judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, are consistent with those applied in the 2025 Annual Financial Report.

#### (d) (ii) Classification of converting notes

In determining the classification of the converting notes, the Group assessed whether the instruments met the definition of equity in accordance with AASB 132 *Financial Instruments: Presentation*. Based on the contractual terms in place at inception, including conversion features that do not satisfy the 'fixed for fixed' criterion, the converting notes have been classified as financial liabilities with an embedded derivative despite there being no obligation to settle the converting note in cash and mandatorily converting to equity.

#### (d) (iii) Fair value of embedded derivatives

The embedded derivative liabilities arising from the Group's converting notes are measured at fair value in accordance with AASB 13 *Fair Value Measurement*. The valuation is classified as a Level 3 fair value measurement due to the use of significant unobservable inputs.

Key unobservable inputs include assumptions regarding share price volatility, risk free interest rate and probable conversion outcomes. These assumptions require significant judgement and are based on management's best estimates at the reporting date. Changes in these assumptions could result in a material change in the fair value of the embedded derivatives, with a corresponding impact on profit or loss in future reporting periods.

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Notes to the financial statements

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### (e) Comparatives

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements. Where the presentation or classification of items in the financial statements is amended, the comparative amounts have been reclassified to conform with current period presentation.

### (f) Converting notes

#### (f) (i) Initial recognition

The conversion feature does not meet the definition of an equity instrument, and as such the conversion feature has been valued and recognised as an embedded derivative in accordance with AASB 9 *Financial Instruments*. On initial recognition, the embedded derivative is measured at fair value, determined using a Black Scholes simulation model that incorporates assumptions regarding timing, share price volatility and discount ranges. The residual value, being the difference between the proceeds received and the fair value of the derivative, is allocated to the original debt liability i.e. the converting notes.

#### (f) (ii) Subsequent recognition

Subsequently, the embedded derivative is remeasured to fair value at each reporting date, with changes in fair value recognised in profit or loss. The host liability is measured at amortised cost using the effective interest method, with interest expense recognised in profit or loss over the term of the instrument. The imputed interest for the host liability has been computed at 56% - 108%.

#### (f) (iii) Conversion/derecognition

On conversion, the carrying amounts of the host liability and embedded derivative are derecognised, and equity instruments are recognised at the carrying amounts of the liabilities extinguished. No gain or loss is recognised on conversion. Should the convertible notes be redeemed for cash, both the host and derivative liabilities are derecognised, with any difference between the carrying amounts and the settlement amount recognised in profit or loss.

### (g) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$5,439,000 and had net cash outflows from operating and investing activities of \$3,818,000 and \$1,970,000 respectively for the half-year ended 31 December 2025. As at that date the Group had net current liabilities of \$8,053,000 and net liabilities of \$6,357,000.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- As reflected in Note 6.1, during the half year, the Group raised \$1,500,000 through share placement and \$2,000,000 through the issue of converting notes, which were converted into equity during the half year. The Directors believe that the Group will be able to access additional funding if required.
- As reflected in Note 8, the Group has converting notes carried at a value of \$4,550,000. These notes have a maturity date of 31 July 2026, at which point they mandatorily convert into equity. \$3,000,000 of these notes have obtained shareholder approval for the conversion of the debt to equity. The Company is relying on Listing Rule 7.2 Exception 9 for the conversion of the remaining \$1,550,000 to equity. Despite the fact that these instruments will convert to equity, they have been classified as derivative financial liabilities from an accounting perspective as there is some potential variability in the number of shares that will be issued to extinguish these liabilities.

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Notes to the financial statements

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- Included within current liabilities are contract liabilities carried at \$2,688,000, which are not expected to require to be cash settled, but rather through the provision of services.
- As reflected in Note 11, subsequent to period end, the Group intends to raise funds. The Company is currently engaging with stakeholder and providers of capital, and the Directors are confident of the Group's ability to raise additional funds and/or capital as is necessary to meet obligations as they fall due.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Notes to the Financial Statements

Amounts in \$'000

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### 2. Segment revenues and results

#### 2.1 Products and services from which reportable segments derive their revenues

Factors used to identify the entity's reportable segments, including the basis of organisation (for example, whether management has chosen to organise the entity around differences in products and services, geographical areas, regulatory environments, or a combination of factors) and whether operating segments have been aggregated.

The Chief Operating Decision Maker reviews GP (Gross Profit). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

The Group operates predominately in six business segments, defined by the Group's different product and service offerings.

The Group's reportable segments under AASB 8 are therefore as follows:

- |                    |  |
|--------------------|--|
| - Devices          | Device segments supply the 'Spacetalk' smartwatches through retail distribution networks and online sales.                       |
| - Schools          | The schools segment provides school messaging services and licence fees to various schools.                                      |
| - Spacetalk Mobile | Spacetalk Mobile segment sells mobile services under the 'Spacetalk' brand name using the network of a licensed mobile operator. |
| - Apps             | Apps segment supply the 'Spacetalk' smartwatches customers the device agnostic (open) mobile application products.               |
| - Seniors          | The Seniors segment comprises the aggregate of all hardware and app related services provided to the seniors market.             |
| - Corporate        | 'Corporate' is the aggregation of the Group's other various sundry income and expenses in the corporate level.                   |

This is the basis by which management controls and reviews the operations of the Group. Segment results are routinely reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance on the same basis. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Notes to the Financial Statements

Amounts in \$'000

### 2.2 Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	<b>Total Revenue</b>	<b>Total Revenue</b>
	<b>2025</b>	<b>2024</b>
<b>Period ended 31 December 2025</b>		
Devices	3,761	4,613
Schools	566	918
Spacetalk Mobile	3,926	3,040
Apps	1,004	1,220
Seniors	-	53
<b>Total segment revenues</b>	<b>9,257</b>	<b>9,844</b>
<b>Timing of revenue recognition</b>		
Recognised at a point in time	3,761	4,613
Recognised over time	5,496	5,231
	<b>9,257</b>	<b>9,844</b>

### 2.3 Gross profit

	<b>Gross profit</b>	<b>Gross profit</b>
	<b>2025</b>	<b>2024</b>
<b>Period ended 31 December</b>		
<b>Gross Profit</b>		
- Devices	1,398	1,369
- Schools	472	877
- Spacetalk Mobile	1,957	1,625
- Apps	778	865
- Seniors	-	50
<b>Total gross profit</b>	<b>4,605</b>	<b>4,786</b>

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Notes to the Financial Statements

Amounts in \$'000

### 3. Share based payments

During the period, several employee performance rights were granted. These performance rights are issued for nil consideration and are awarded in accordance with performance guidelines established by the Remuneration Committee. Note that exercise price and dividend yields are nil.

The vesting of these performance rights is contingent on achieving specific performance targets relevant to the role. Key targets include:

- Annual Recurring Revenue (ARR) targets
- Free cash flow targets
- Volume-Weighted Average Price (VWAP) targets

Set out below are summaries of performance rights granted:

Grant date	Expiry date	Share price at grant date	Exercise price	Dividend yield	Fair value at grant date	Number of performance rights	Vesting date
26/09/2025	26/09/2030	\$0.145	\$-	\$-	\$0.145	450,000	27/09/2025
28/11/2025	28/11/2030	\$0.110	\$-	\$-	\$0.110	96,989	29/11/2025
28/11/2025	28/11/2030	\$0.110	\$-	\$-	\$0.110	169,730	29/11/2025
28/11/2025	28/11/2030	\$0.110	\$-	\$-	\$0.110	96,989	29/11/2025

The expense in relation to these equity-settled share-based payment transactions has been recognised in profit or loss and credited to the share-based payment reserve. During the period, an expense of \$157k (2024: \$178k) was recognised in respect of new and existing performance rights. Performance rights issued during the period were measured at fair value based on the prevailing share market price at the grant date.

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Notes to the Financial Statements

Amounts in \$'000

The following table outlines the number of incentive rights on issue and movements during the reporting periods presented:

	Number of rights 31 December 2025	Weighted average exercise price for the half year ended 31 December 2025	Number of rights 30 June 2025	Weighted average exercise price for the financial year ended 30 June 2025
Outstanding at the beginning of the reporting period (1 July 2025 and 2024)	1,433,959	-	45,648,242	-
Granted	813,708	-	13,088,550	-
Forfeited/Lapsed	(700,000)	-	(27,580,421)	-
Exercised	(1,249,219)	-	(19,219,875)	-
Expired	-	-	-	-
<b>Outstanding before consolidation</b>	<b>298,448</b>	-	<b>11,936,496</b>	-
Consolidation of rights	-	-	(10,742,846)	-
Rounding due to consolidation	-	-	2	-
Granted after consolidation	-	-	543,914	-
Forfited/lapsed after consolidation	-	-	(203,001)	-
Excersied	-	-	(100,606)	-
<b>Outstanding at end of the reporting period</b>	<b>298,448</b>	-	<b>1,433,959</b>	-

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Notes to the Financial Statements

Amounts in \$'000

### Share options

Set out below are summaries of options granted:

Grant date	Expiry date	Number of options granted	Share price at grant date (\$)	Exercise price (\$)	Fair value at grant date (\$)
03/09/2025	03/09/2029	8,221,147	0.15	0.22	0.11

During the half-year ended 31 December 2025, the Company granted 8,221,147 share options to employees under its Long-Term Incentive (LTI) plan on 3 September 2025.

The share options are subject to service and performance vesting conditions and vest in three equal tranches, with one-third vesting on each of the first, second and third anniversaries of the grant date, subject to the satisfaction of the applicable vesting conditions. The options have an exercise price of \$0.22 per option and an expiry date on the fourth anniversary of the grant date.

The following table outlines the number of options on issue and movements during the reporting periods presented:

	Number of options 31 December 2025	Number of options 30 June 2025
Outstanding at the beginning of the reporting period	19,165,688	119,682,018
Expired options	(19,165,688)	-
Granted	8,221,147	71,973,747
<b>Outstanding before consolidation</b>	<b>8,221,147</b>	<b>191,655,765</b>
Consolidation of options	-	19,165,577
Rounding due to consolidation	-	111
<b>Outstanding at end of the reporting period</b>	<b>8,221,147</b>	<b>19,165,688</b>

No voting or dividend rights are attached to the options.

#### 4. Trade and other receivables

	31 December 2025	30 June 2025
Trade receivables	1,904	1,385
Less: Allowance for expected credit losses	(81)	(80)
Trade receivables - net	1,823	1,305
Other receivables	225	258
<b>Total trade and other receivables</b>	<b>2,048</b>	<b>1,563</b>

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Notes to the Financial Statements

Amounts in \$'000

### 5. Intangible assets

#### 5.1 Reconciliation of changes in intangible assets

	<b>Development costs</b>
<b>Reconciliation for the period ended 31 December 2025</b>	
<b>Balance at 1 July 2025</b>	
At cost	25,903
Accumulated amortisation	(23,342)
<b>Carrying amount</b>	<b><u>2,561</u></b>
<b>Movements for the period ended 31 December 2025</b>	
Additions through internal development	2,074
Amortisation	(911)
<b>Intangible assets at the end of the period</b>	<b><u>3,724</u></b>
<b>Closing balance at 31 December 2025</b>	
At cost	27,977
Accumulated amortisation	(24,253)
<b>Carrying amount</b>	<b><u>3,724</u></b>
<b>Reconciliation for the year ended 30 June 2025</b>	
<b>Balance at 1 July 2024</b>	
At cost	24,244
Accumulated amortisation	(22,052)
<b>Carrying amount</b>	<b><u>2,192</u></b>
<b>Movements for the year ended 30 June 2025</b>	
Additions through internal development	1,659
Amortisation	(1,263)
Impairment loss recognised in profit or loss	(27)
<b>Intangible assets at the end of the year</b>	<b><u>2,561</u></b>
<b>Closing balance at 30 June 2025</b>	
At cost	25,903
Accumulated amortisation	(23,342)
<b>Carrying amount</b>	<b><u>2,561</u></b>

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Notes to the Financial Statements

Amounts in \$'000

### 6. Issued capital

#### 6.1 Authorised and issued share capital

Movement in ordinary share capital

Details

	Shares	\$'000
<b>Balance at 1 July 2024</b>	<b>471,021,409</b>	<b>40,802</b>
Exercise of performance rights	19,219,875	458
Capital raised	143,947,420	3,341
Transfer of vested expired options to share capital	3,571,428	65
Capital raising costs	-	(306)
<b>Subtotal before consolidation</b>	<b>637,760,132</b>	<b>44,360</b>
Capital consolidation (1 for 10)	(573,984,119)	-
Consolidation of shares *	348	-
<b>Shares post-consolidation (27 Nov 2024)</b>	<b>63,776,361</b>	<b>44,360</b>
Capital raised	9,035,715	1,265
Exercise of performance rights	100,606	2
Share issue cost	-	(83)
<b>Balance at 1 July 2025</b>	<b>72,912,682</b>	<b>45,544</b>
Shares issued under placement	11,682,050	1,500
Shares issued on the conversion of converting notes and accrued interest	18,884,456	2,093
Capital raising costs	-	(504)
Conversion of rights to shares	1,249,219	181
<b>Balance at 31 December 2025</b>	<b>104,728,407</b>	<b>48,814</b>

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holders to one vote, either in person or by proxy, at a meeting of the Group.

\* Spacetalk announced that following shareholder approval at the Annual General Meeting on 20 November 2024, the consolidation of the issued capital of the Company on the basis of one (1) security for every ten (10) shares held has been completed.

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Notes to the Financial Statements

Amounts in \$'000

### 7. Trade and other payables

	31 December 2025	30 June 2025
Trade payables	2,238	1,691
Income tax payable	-	14
Other payables	3,016	2,562
<b>Total trade and other payables</b>	<b>5,254</b>	<b>4,267</b>

### 8. Converting notes - Host liability

	31 December 2025	30 June 2025
Opening balance	-	-
Converting notes - Host liability at inception	2,659	-
Imputed interest on converting notes	881	-
Conversion of interest on converting notes to shares	(65)	-
<b>At reporting date</b>	<b>3,475</b>	-

#### Converting notes - Embedded derivative

	31 December 2025	30 June 2025
Opening balance	-	-
Converting notes - Embedded derivative fair value at inception	1,891	-
Gain on fair value of embedded derivative	(870)	-
<b>At reporting date</b>	<b>1,021</b>	-

Key assumptions used in determining the fair value of the converting notes - embedded derivatives:

Valuation date	At inception
Share price at inception (\$)	0.115 - 0.150
Exercise price (\$)	0.11 - 0.14
Expected volatility	93.88% - 118.01%
Coverting life remaining	0.66 - 1 years
Fair value per option at valuation date (\$)	0.04 - 0.07
Number of shares issued	35,519,481
<b>Total fair value of options (\$'000)</b>	<b>1,891</b>

Valuation date	31 December 2025
Share price at 31 December 2025 (\$)	0.11
Exercise price (\$)	0.11
Expected volatility	81.54%
Coverting life remaining	0.58 years
Fair value per option at valuation date (\$)	0.02
Number of shares issued	41,363,636
<b>Total fair value of options (\$'000)</b>	<b>1,021</b>

During the half-year ended 31 December 2025, the Company issued 4,550,000 converting notes with an aggregate face value of \$4,550,000. Of these, 3,000,000 notes were issued on 14 July 2025, 1,000,000 notes on 12 November 2025, and 550,000 notes on 28 November 2025.

All converting notes were issued on identical terms and conditions. The notes bear a fixed interest rate of 10% per annum, with interest settled quarterly through the issue of ordinary equity shares. The notes have a maturity date of 31 July 2026, at which point they mandatorily convert into equity.

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Notes to the Financial Statements

Amounts in \$'000

31 December 2025

30 June 2025

### 9. Derivative liabilities

Derivatives	488	826
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During the period, the Company repriced two existing warrants following capital raisings, resulting in a revised exercise price of \$0.13 per share for both instruments.

The first warrant was issued in 2022 and relates to 9,000,000 shares, with the exercise price reduced from \$0.23 per share to \$0.13 per share, and an expiry date of 31 March 2027. The second warrant was issued in 2024 and relates to 2,000,000 shares, with the exercise price reduced from \$0.165 per share to \$0.13 per share, and an expiry date of 31 December 2026. The warrants are repriced under certain conditions and hence have a variable exercise price. As a result, they are classified as liabilities.

Key assumptions used in determining the fair value of the warrants at 31 December 2025:

Valuation date	31 December 2025
Share price at 31 December 2025 (\$)	0.11
Exercise price (\$)	0.13
Expected volatility	105.92%
Warrant life remaining	1-1.25years
Fair value per warrant at valuation date (\$)	0.0401-0.0453
Number of warrants issued	11,000,000
<b>Total fair value of warrants (\$'000)</b>	<b>488</b>

The inputs used in the valuation of derivatives are considered level 2 fair value hierarchy. There were no transfers between levels during the financial period.

Key assumptions used in determining the fair value of the warrants at 30 June 2025:

Valuation date	30 June 2025
Share price at 30 June 2025 (\$)	0.15
Exercise price (\$)	0.165-0.23
Expected volatility	120.35%
Warrant life remaining	1.5-1.75years
Fair value per warrant at valuation date (\$)	0.0741-0.0794
Number of warrants issued	11,000,000
<b>Total fair value of warrants (\$'000)</b>	<b>826</b>

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# Spacetalk Limited

Consolidated Half Year Financial Statements for the period ended 31 December 2025

## Notes to the Financial Statements

Amounts in \$'000

### 10. Borrowings

	<u>31 December 2025</u>	<u>30 June 2025</u>
Term loan	3,600	4,600
Non-current portion of borrowings	2,150	3,300
Current portion of borrowings	1,450	1,300
	<u>3,600</u>	<u>4,600</u>

On 11 July 2025, Pure Asset Management agreed to subscribe for 1,000,000 Converting Notes in settlement of \$1.0m of secured debt owed by the Company. The conversion took effect immediately upon issuance of the Converting Notes, reducing the outstanding secured debt facility to \$3.6m. The Company obtained shareholder approval for the issuance.

In addition, Pure agreed to the following amendments to its existing secured loan facility:

- Suspension of all capital repayments for the remainder of the 2025 calendar year; and
- Extension of the loan maturity date by three months to 30 June 2027.

The following changes to the key terms of the facility were approved:

#### Key Terms:

##### Debt Facility: \$3.6m

- Interest rate: 9.50%
- Maturity date: 30 June 2027

##### Converting Note: \$1m

- Interest rate: 10%
- Conversion date: 31 July 2026

The below key terms have remained the same:

#### Covenants:

- The Group's minimum cash balance must remain at \$750,000 at all times.
- EBITDA covenants: Specific targets to be met quarterly from 30 June 2025 onwards.

#### Warrant:

- Total warrants of 11,000,000 shares, comprising 9,000,000 warrants exercisable at \$0.13 per share, expiring on 31 March 2027; and 2,000,000 warrants exercisable at \$0.13 per share, expiring on 31 December 2026

### 11. Events after the reporting period

Subsequent to the reporting period, the Group intends to raise funds. The Company is currently engaging with stakeholders and providers of capital, and the Directors are confident of the Group's ability to raise additional funds and/or capital as is necessary to meet obligations as they fall due.

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