



# SPACETALK

**1HFY26 Investor Update**

25 February 2026

# Executing the Growth Agenda



## Our Strategy

Family safety at every stage of life, remains the foundation of our long-term vision.



## Our Objective

is clear: to build a cash-generative, defensible niche within the global family-safety market.



## New Spacetalk App Platform

Underpinned by an entirely new tech stack and now live in more than 30 markets and 16 languages our app is beginning to connect users at multiple stages of their lives.

"The first half of FY26 marks a genuine turning point for Spacetalk. We are completing our transformation into a software-led business model and for the first time have the platform to drive our software subscription revenue and CLTV beyond young children and watches. As a result, we have entered into an MOU with TPG Telecom to distribute our family safety platform to millions of Vodafone customers on a co-branded basis across Australia. The final agreement will offer attractive economics and support our ARR growth and is scheduled to go live in the first half of FY27. It validates our platform strategy and establishes a repeatable, capital-efficient growth model that we are now actively expanding internationally.

The platform transformation was a complex and necessary process. I want to acknowledge that some customers were affected during this period - we have addressed this directly through strengthened technology leadership and operational improvements. That work is behind us. What we have built is a modern, scalable platform capable of supporting enterprise-grade telco deployments worldwide, and the TPG/Vodafone MOU is the first proof of what that platform will deliver.

Partnering with telcos gives us access to millions of existing customers on a co-branded or white-label deployment. A single telco partnership of this size would be transformational on its own. Our goal is to build a portfolio of these relationships. We are actively discussing with telco partners in international markets and expect to announce more agreements soon - each of which will generate additional ARR and significantly expand our customer base.

These partnerships plus our Spacetalk mobile and app subscription revenue are the main drivers of our forecast of \$20-25 million in ARR for calendar year 2026. The telco channel model allows us to scale customer acquisition non-linearly without a proportional increase in costs - a shift that fundamentally changes the growth potential of this business.

Spacetalk occupies a defensible and valuable niche: family safety technology designed for a kid's first connected device. As telcos worldwide seek differentiated products for family segments, we are increasingly positioned as the platform of choice. The strategy is clear and the growth opportunities ahead are substantial. I am genuinely excited about what this business can achieve for shareholders from here."

**Simon - CEO & Managing Director, Spacetalk**



Simon is a serial entrepreneur and CEO with 20 years of commercial success in the technology sector. Simon had his first profitable exit in 2000 which paved the way for increased leadership roles and exits in subsequent years.

Simon was CEO with AirMap, Managing Director with Yamaha Motor Ventures & Laboratory Silicon Valley and CEO of Nearmap (ASX:NEA) which he led as a public company and built into a leading geospatial and data analytics business.



# Progress and Context

# 1HFY26 Key Highlights



## Revenue quality

In FY23 most of our revenue came from selling kids' wearables locally through high-street retailers in Australia. In 1HFY26 most of revenue was recurring from MVNO subscriptions, app fees and schools.

January'25

We re-entered international markets using a capital-light, digital-first approach. By expanding our ecommerce footprint.

Today

We are active in 15 markets with 5 priority countries

We have Spacetalk Mobile live in three markets

**By the end of the financial year, we will have MVNO's in:**

Australia

USA

United Kingdom

Germany

Sweden

# 1H26

## Key Financial Metrics

### Annual Recurring Revenue (ARR) grew by 9% vs PCP

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- › ARR grew to \$12.0m, up 9% from \$11.0m in 1HFY25, primarily due to 26% growth in Spacetalk Mobile ARR from \$6.6m to \$8.3m.
- › The scalable architecture of the new platform supports increased app engagement, enhanced upgrade pathways, and improved in-app acquisition capabilities, creating a flywheel effect that is expected to further accelerate mobile subscriber growth.

### Active Mobile Subscribers increased by 26% vs PCP

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- › The Active Mobile Subscriber base increased by 26% from 45.6k in 1H25 to 57.4k in 1H26, highlighting the strong adoption of Spacetalk Mobile.
- › This growth reflects the effectiveness of our customer acquisition strategy.

### Total income stable as non-hardware revenue growth offsets reduction in devices revenue

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- › Overall income was stable at \$10.2m compared to \$10.3m in 1H25.
- › Mobile revenue grew significantly by 29% from \$3.0m in 1H25 to \$3.9m in 1H26, driven by the 26% increase in the mobile subscriber base.
- › 59% of 1H26 revenue was recurring in nature, up 6ppts from 53% in 1H25.
- › Device revenue declined by 18% as retailers sold-out in channel stock and as focus turns to software. Underlying sell-outs grew by 6%.

# We are Completing the Transformation to a Software-led Growth Engine

Active Mobile  
Subscribers

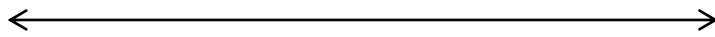
**+643%**

Total  
App Users

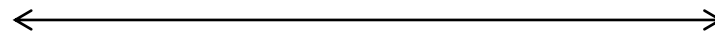
**+49%**

Figures versus February 2023

Structures



Processes



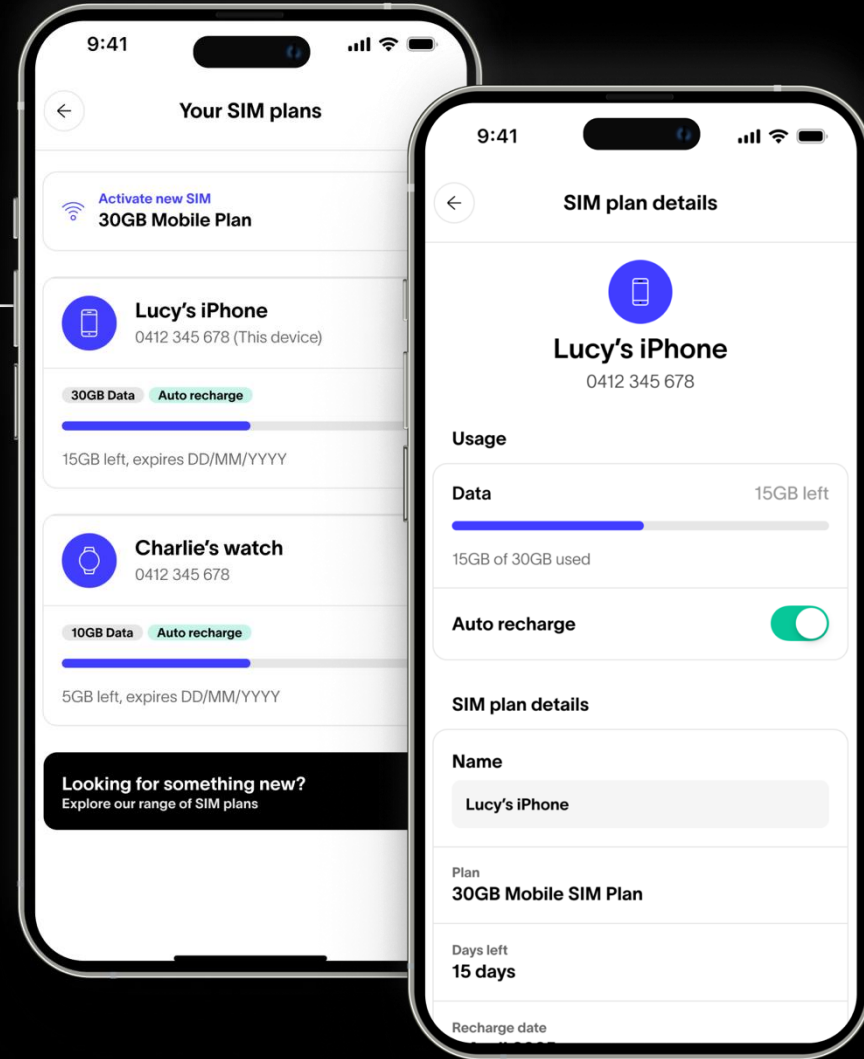
People

On track to deliver

**\$20m-\$25m\*** ARR in calendar year 2026

**SPACETALK**

# Pathway to \$20M+ ARR



# Initial Focus on Families with Kids 7-17 and Telco platform

## 2023 – Present



Families with Kids 7-17



Sandwich Generation Parent

B2C



Next Kids Watch\*



Loop



Apple & Samsung Watch Apps



Spacetalk App 2.0



Content Filtering

# Next Focus B2B & B2C Products for Seniors Aging at Home 2025 – 2026



Families with Kids 7-17



Sandwich Generation Parent



Grandparents and Older Relatives

B2C



Next Kids Watch\*



Loop



Apple & Samsung Watch Apps



Spacetalk App 2.0



Content Filtering



'Sibyl' Seniors MPERS & AI

\*Analysis ongoing

# Multiple dimensions of safety evolve over a lifetime

	 7-11 Kids	 NEW Tweens	 NEW Teens	 NEW Young Adults	 NEW Older People	 Sandwich Generation Parent
Location	Walk / bike to school alone	Route freedom	Secure ride home	Share with friends	Location awareness in an emergency	Know family locations
Physical	Emergency help	Personal safety back up	Safe nights out	Safe late commutes	Prevent falls & Emergency help	Protect family physically
Digital	Content restrictions	Content management, filtering and restrictions	Content management, filtering and restrictions	Secure digital identity	Scam prevention and digital security	Monitor families digital exposure without intruding
Emotional	Stress check in	Connect with peers safely	Connect with peers safely	Maintain family connections	Connect with family	Be reassured
Health	Encourage active play	Build healthy habits	Manage stress levels	Good sleep habits	Keep moving	Monitor family health

# What Can You Expect for Rest of the Financial Year

**B2B**

Germany & Sweden MVNOs

Australian Schools EOL

Home Care Provider Pilot



Nov 2025

July 2026

**B2C**

Spacetalk App 2.0

Q2 Launch

Content Filtering

Q3

Apple & Samsung Watch Apps

Q3 & Q4

Ongoing Feature Releases and Updates

Q3 Ongoing

Next Kids Watch\*

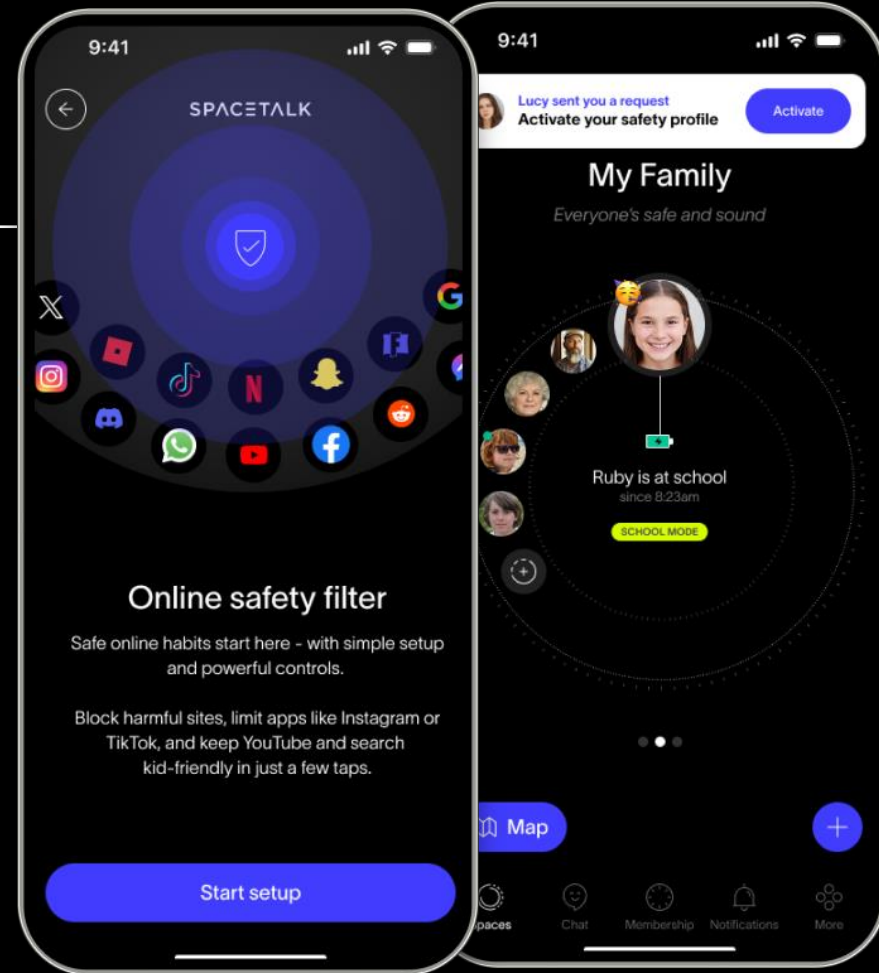
Q4 - Q1 FY27

'Sibyl' POC Seniors MPERS & AI

Q4



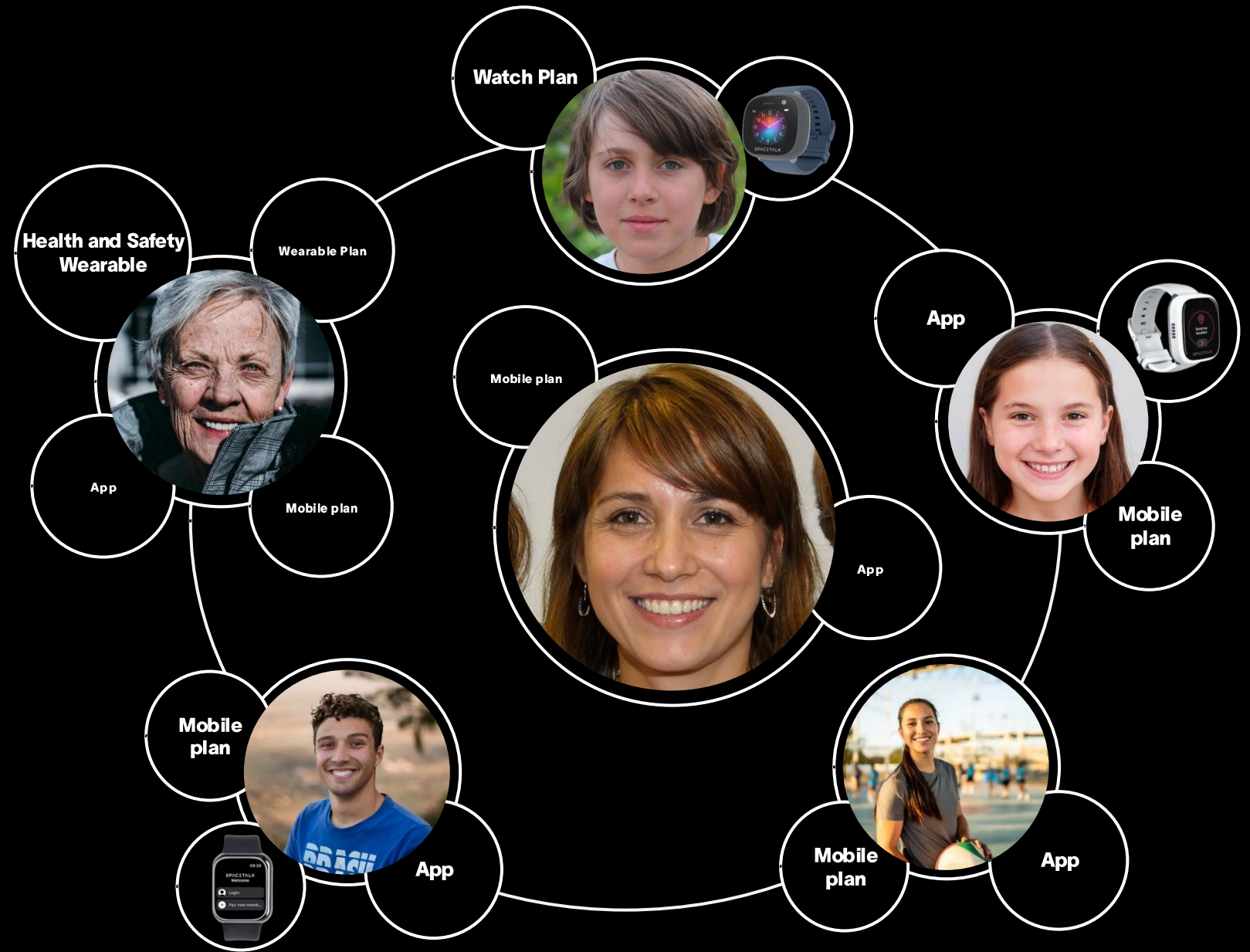
# Telco Software Platform Focus



Screens and content are illustrative\*

**Spacetalk App Platform is designed to be a growth and retention flywheel for Telcos...**

**...and provide access to millions of potential paid subscribers at**



# Enterprise software driving ARR and value for Telcos

**Global Telcos  
Platform (NOW)**

**Global Telco & Care Provider  
Platform (2026 est.)**



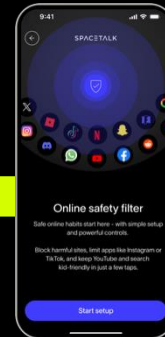
**Next Kids  
Watch**

**Loop**

**Apple & Samsung  
Watch Apps**



**Spacetalk  
App 2.0**



**Content  
Filtering**



**'Sibyl'  
Seniors MPERS & AI**

**Families with  
Kids 7-17**

**Sandwich  
Generation  
Parents**

**Grandparents and Older  
Relatives**

**Value add** for Telco customers.

**Purpose built** to create value for Telcos.

**CAC | ARPU | CLTV | SUBS**

**Insight driven** CLM,  
marketing and low CAC sales channel.

**Multiple daily brand touchpoints** for your  
customers and prospective customers.

**Aligned success** and shared reward.

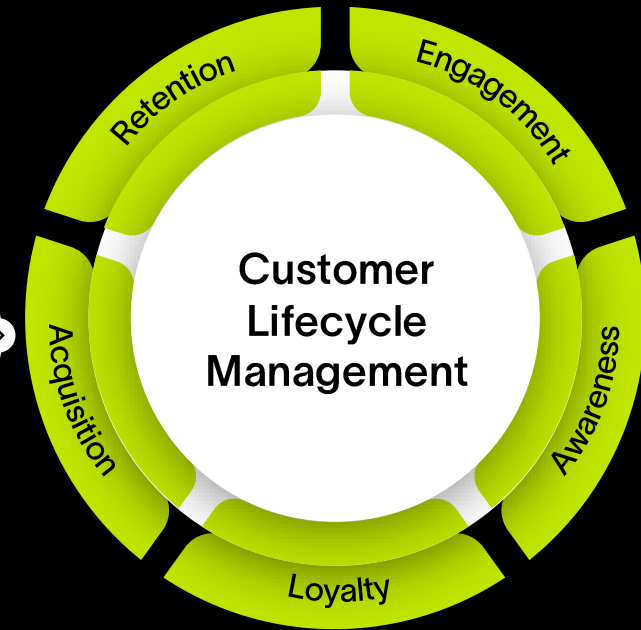
# Uniquely Positioned to Drive Telco Customer Lifecycle Management

Strong consumer value proposition drives strong data led telco value proposition:

- ✓ Location
- ✓ Family construct
- ✓ Connections
- ✓ Names and Ages
- ✓ Behaviours
- ✓ Mobile Devices
- ✓ Carriers
- ✓ App usage and engagement
- ✓ Home internet service provider
- ✓ Advanced AI driving push messaging, right touchpoint, right person, right moment



Data



Decrease CAC

Grow Subscribers

Increase ARPU

Maximise CLTV

New subscribers

Plan sales

Hardware sales

Home NBN / Broadband sales

Premium app subscriptions

# Tiered membership as a premium add on

Features scale with tier



Unique value adding service

New predictable recurring revenue stream

Increased ARPU



# Mobile plan and hardware sales

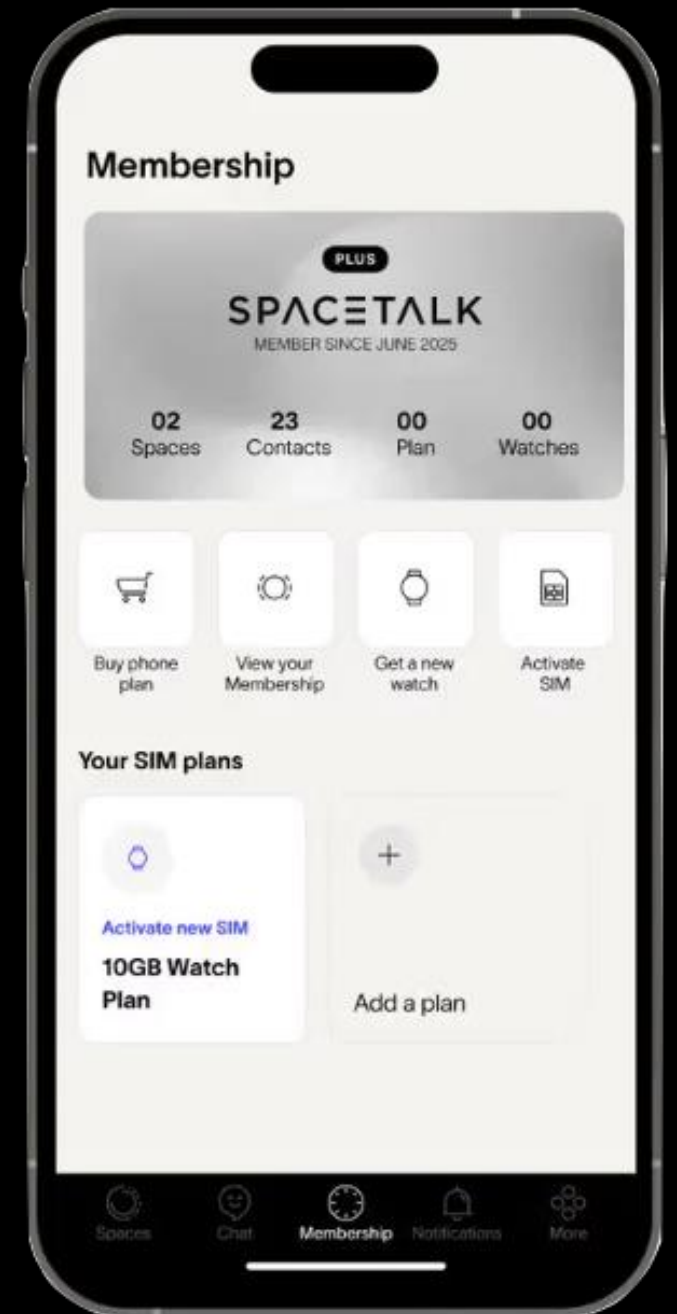
Engagement, upsell and cross-sell



Sliding scale of integration from simple to comprehensive for Telco products

Potential for whole of family mobile plans in one place

Seamless links to Telco eCommerce, or in-app purchase



# Peace of mind in the digital world

Daily protection, not just screen time limits

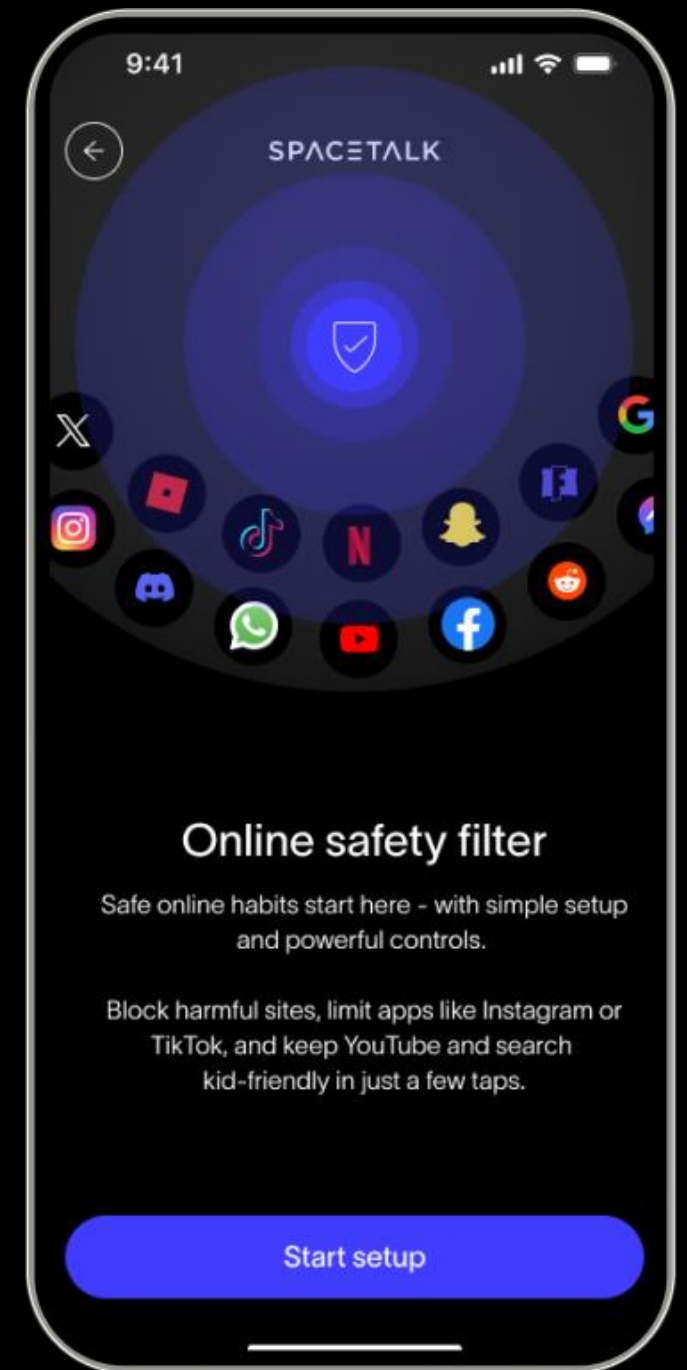


Simple, powerful online safety features for parents

One of the biggest sources of parental anxiety

Daily safety-use experience that drives engagement and loyalty

All of the benefits of a phone with non of the risks



# Spacetalk on leading smartwatches

Turn a smartwatch into a safety device



Brings the Spacetalk Platform experience to Apple and Samsung smartwatches

Provides a stepping stone to a first phone, or add-on product offer

Drives smartwatch hardware sales, plan uptake and family retention





Screens and content are illustrative\*

# Financial Highlights

# Financial Performance Highlights

## Spacetalk Mobile Drives Growth in Recurring Revenue

	1H26	1H25	Change
Total income (\$m)	10.2	10.3	(1%)
Revenue from continuing operations (\$m)	9.3	9.8	(5%)
Gross Profit from continuing operations (\$m)	4.6	4.8	(4%)
GP margin (%)	50%	49%	1ppts
Annual Recurring Revenue (\$m)	12.0	11.0	9%
Recurring revenue mix (%)	59%	53%	6ppts
Active Spacetalk Mobile Subscribers (higher ARPU than App)	57.4k	45.6k	26%
Adjusted EBITDA (\$m)*	(4.2)	(0.1)	≥1,000%

\* See Adjusted EBITDA reconciliation in Appendix

# Mobile Revenue

## Strong Subscriber Growth and Revenue Expansion

### Subscriber Growth

The number of paying mobile subscribers grew by 26% from 45.6K in 1H25 to 57.4K in 1H26. This increase demonstrates the success of our mobile service offerings and the effectiveness of our customer acquisition strategy.

### Revenue Increase

Spacetalk mobile revenue saw a 29% increase, rising from \$3.0m in 1H25 to \$3.9m in 1H26, in line with the increase in subscriber numbers.

### Stable Gross Profit Margin

Despite the increase in the subscriber base, our gross profit margin of 50% indicates our ability to maintain profitability while scaling our mobile business. The consistent margin underscores the efficiency of our mobile operations and the potential for future profitability as we continue to expand.

### Foothold for Increasing Lifetime Value

This growth in mobile subscribers provides a solid foundation for our strategy to enhance the lifetime value of families in our ecosystem. The new platform is expected to increase further monetisation opportunities in this base over time.

'000	1H26	1H25	%
Active mobile subscribers	57.4	45.6	26%
Spacetalk mobile revenue	3,926	3,040	29%
Spacetalk mobile gross profit	1,957	1,625	20%
Gross profit (%)	50%	53%	

# Device Revenue

Device Sales continue to Drive Ecosystem entry despite timing effects

## Device Unit Sales #

- Device unit sales declined primarily due to timing impacts, as retail partners drew down on existing inventory, resulting in reduced reorder activity.
- Underlying consumer demand continued to grow, with the sell-out from retail inventory increasing by 6% year-on-year.
- Device unit sales remain the primary entry point into the Spacetalk ecosystem, driving initial user engagement and subsequent service adoption.

## Device Revenue \$

- Device revenue decreased to \$3.8m (1H25: \$4.6m) in line with the reduction in unit sales during the period.

## Device Gross Margins

- Gross profit increased by 2%, with margin expansion more than offsetting the impact of lower revenue.
- Gross margin improved to 37% (1H25: 30%), reflecting a higher proportion of sales from the higher-margin Adventurer 2 product relative to the prior corresponding period.

'000	1H26	1H25	%
#Device sales	22.2	27.9	(20%)
# Device sell-outs	24.1	22.8	6%
Device revenue	3,761	4,613	(18%)
Device gross profit	1,398	1,369	2%
Gross profit (%)	37%	30%	

# App Revenue

## App 2.0 Establishes Foundation for Scalable Monetisation

### App 2.0 Launch

- The launch of App 2.0 represents a significant evolution of the Company's software platform.
- The App provides a more flexible foundation for introducing premium features, subscription tiers, and monetisation initiatives, supporting the Company's transition toward a software-led business model.

### Stable App User Base

- Total active app users in Australia remained consistent year-on-year, reflecting a stable user base. To date, our strategic focus has been on migrating users to mobile subscriptions, which offer higher revenue per user (RPU), greater gross profit per user, and longer lifetime value.

### Opportunity in Non-paying App Users

- The base of non-paying app users presents a significant future revenue opportunity given the enhanced features of, and monetisation strategies enabled by App 2.0.

### Gross Profit Margin

- App gross margin increased to 77% from 71%, albeit from a small revenue base. As part of the re-platforming and launch of App 2.0, the company transitioned to the AWS platform, which is expected to provide improved operating leverage and scalability going forward.
- As the subscription base expands, margin leverage is expected to translate to more meaningful absolute gross profit contribution.

'000	1H26	1H25	%
#Total App Users (active past 6 months)	86.9	86.4	1%
#Paying App Users	22.3	26.0	(14%)
App revenue	1,004	1,220	(18%)
App gross profit	778	865	(10%)
Gross profit (%)	77%	71%	

# New App Flywheel Effect to further Drive Mobile Growth

## Enhancing Customer Value and Ecosystem Integration

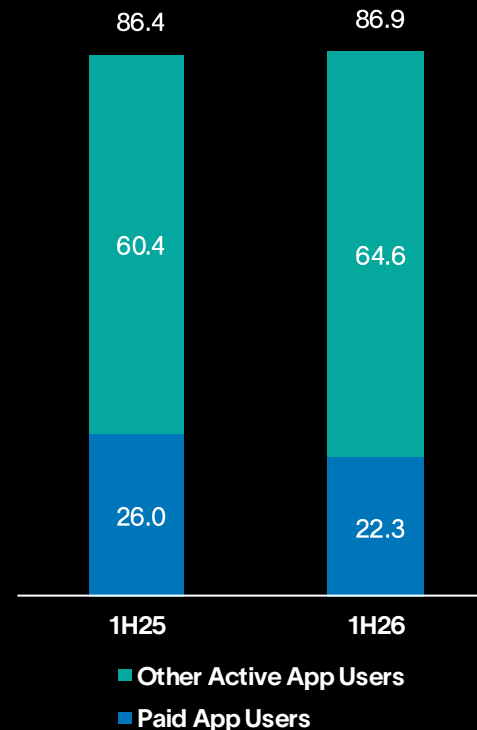
### The success of Spacetalk Mobile...

- Historically, ARR growth has been primarily driven by expansion in the mobile subscriber base. Spacetalk Mobile has significantly enhanced our ecosystem, with paying mobile subscribers increasing from 45.6k in 1H25 to 57.4k in 1H26.
- Mobile subscriptions deliver higher revenue per user (RPU) and profitability per customer in absolute terms.
- New mobile subscribers received the app for free, boosting overall customer value and engagement within the Spacetalk ecosystem.

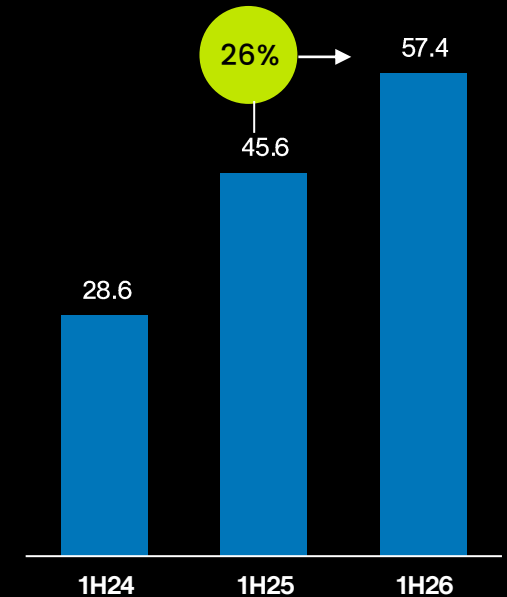
### ...now enhanced by new App

- Following the launch of the new App, the Company expects app-based ARR to become an increasingly meaningful contributor, as enhanced functionality and monetisation features are progressively introduced.
- The scalable architecture of the new platform supports increased app engagement, enhanced upgrade pathways, and improved in-app acquisition capabilities, creating a flywheel effect that is expected to further accelerate mobile subscriber growth.

Active App Users - AU



Active mobile subscribers



# School Revenue

## Stable Gross Margins

### Number of Schools

The number of schools utilising Spacetalk services declined by to 274 at the end of 1H26 (1H25: 1,118), as state governments continued to progressively insource these services.

### School Revenue

Revenue decreased by 38% due to the decline in the number of school subscriptions. Increases in SMS usages by the remaining schools user base partially offset the decline in school subscribers.

### Gross Margins

Gross margins remained strong at 83% being a decline from 1H26 margin of 96%. Margins were impacted by the mix between licences and SMS usages during the period. Given the relatively small revenue base, modest shifts in product mix can result in disproportionate percentage movements in reported gross margin.

	1H26	1H25	%
Schools (#)	274	1,018	(73%)
'000			
Schools revenue	566	918	(38%)
Schools gross profit	472	877	(46%)
Gross profit (%)	83%	96%	

# Recurring Revenue Streams

Focus on building a Strong Recurring Revenue Model

## App Subscriptions: \$2.3M

- The app enhances device functionality, driving user engagement and increasing recurring subscription revenue.
- The launch of App 2.0 has further strengthened this dynamic by expanding feature capability and enabling more flexible monetisation pathways.

## Expansion with Mobile Subscriptions: \$8.3M

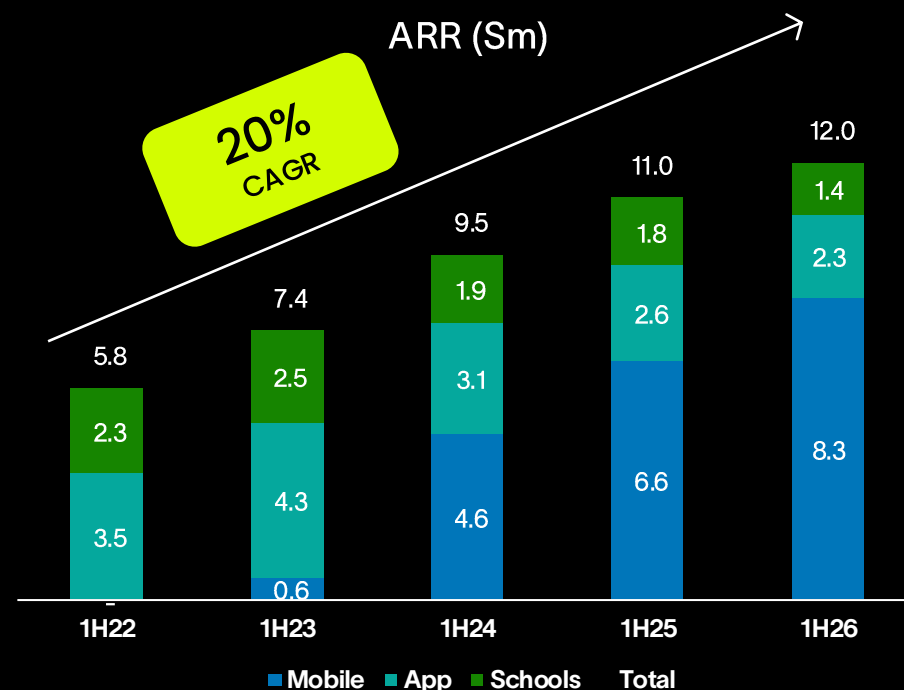
- Spacetalk Mobile offers higher Average Revenue Per User (ARPU) and extends customer lifetime value.
- It also opens opportunities to sell additional products not attached to wearables, further enhancing the revenue potential from our existing customer base.

## Impact of New Platform on App and Mobile Subscriptions

- The new platform is expected to support greater subscription conversion, enable upsells, reduced churn and improved scalability, reinforcing a more predictable recurring revenue base over time.
- The new platform also enables the launch of app-only subscription plans and a tiered pricing model for the first time, expanding monetisation pathways and improving customer segmentation.

## Schools – SMS & Licensing Fees: \$1.4M

- The Company generates additional recurring revenue from schools through SMS services and licensing fees, contributing to a diversified revenue stream that supports sustained growth.



# Profit and Loss

## Product mix provides resilience as Company transitions to Software-led Model

### Revenue from continuing operations

Revenue decreased by 6% from \$9.8M in 1H25 to \$9.3M in 1H26. The decrease was due to a timing related reduction in order activity in the devices segment. This was partially offset by strong performance in the mobile segment, with revenues up 29% from \$3.0M in 1H25 to \$3.9M in 1H26.

### Gross profit from continuing operations

Gross profit decreased by 4% from \$4.8M in 1H25 to \$4.6M in 1H26 in line with revenue.

Gross margin was stable at 50% in 1H26 compared to 49% in 1H25, demonstrating resilience of the Company's diversified product mix and the strength of its underlying business model.

### Operating costs

Operating costs increased from \$5.3M in 1H25 to \$9.7M in 1H26. Following a sustained program of business rightsizing over the past few periods, the Company has commenced targeted reinvestment to support its transition to a software-led operating model.

During the period, focused investments were directed towards expanding sales and marketing capability and strengthening technology resources ahead of the first iteration of the new platform.

Summary Income Statement (\$'000)	1H26	1H25	%
Revenue from continuing operations	9,257	9,844	(6%)
Gross profit from continuing operations	4,605	4,786	(4%)
Other income	888	455	95%
Operating costs	(9,741)	(5,297)	84%
Adjusted EBITDA*	(4,248)	(56)	≥1,000%
Discontinued operations	-	(47)	n/a
Loss after income tax attributable to owners of Spacetalk	(5,507)	(991)	456%

# Cash flow

## Targeted Investments to Support Strategic Growth

### Receipts from Customers

Receipts increased by 28% from \$8.0M in 1H25 to \$10.2M in 1H26. The increase is primarily due to timing as well as an improving revenue mix with a higher proportion of recurring mobile subscription revenue collected at point of sale.

### Cash flow before Financing Activities

Cashflows before financing activities decreased from \$(2.3)M to \$(5.8)M in line with the Company's targeted reinvestment to support its growth strategy, including additional resourcing, platform development, international expansion and brand-building initiatives.

### Strategic Investments

Cash used in investing activities increased from \$(0.7)M in 1H25 to \$(2.0)M in 1H26, as the Company invested in technology infrastructure and product innovation. The launch of the new platform during the period was the culmination of such targeted investments.

Summary Cashflow Statement (\$'000)	1H26	1H25	%
Receipts from customers	10,154	7,957	28%
Net cash used in operating activities	(3,818)	(1,666)	129%
Purchase of intangible assets	(1,964)	(652)	201%
Net cash used in investing activities	(1,970)	(659)	199%
Cashflow before financing activities	(5,788)	(2,325)	149%
Cashflow from financing activities	6,176	2,971	108%
Net decrease in cash and cash equivalents	389	649	(40%)
Cash and cash equivalents at year end	1,538	2,419	(36%)

# Balance Sheet

## Successful Refinancing and Extending Borrowing

### Inventory Management

Inventory increased to \$2.2M (Jun-25: \$1.7M), to support sales volumes and ensure product availability. Inventory days increased from 102 to 150 due to the timing of retailer re-order activity.

### Receivables Management

Trade and other receivables increased to \$2.0M (Jun-25: \$1.6m), due to higher sales activity toward the end of the peak period. While debtor days increased from 17 to 30 days, they remain within acceptable parameters.

### Intangible Assets

The increase in intangible assets from \$2.6M to \$3.7M due to capitalisation of eligible costs in development of the Company's platform. The increase underscores our continued investment in technology and intellectual property, which are critical for our future growth strategies. The launch of the new platform during the period represents an important milestone in the transformation towards a software-led model.

Balance sheet	Dec-25	Jun-25
Cash and cash equivalents	1,538	1,149
Inventory	2,190	1,692
Trade and other receivables	2,048	1,563
Intangible assets	3,724	2,561
All other assets	1,985	1,635
<b>Total assets</b>	<b>11,485</b>	<b>8,600</b>
Trade and other payables	5,254	4,267
Borrowings	3,600	4,600
Converting notes	4,496	-
All other liabilities	4,492	3,996
<b>Total liabilities</b>	<b>17,842</b>	<b>12,863</b>
<b>Net (Liability) / Asset</b>	<b>(6,357)</b>	<b>(4,263)</b>
Debtor days (Ave. Receivables / Revenue x 365)	30	17
Inventory days (Ave. Inventory / Cost of sales x 365)	150	102

# Successful Refinancing

## Our Lender Supporting our Growth Plans

Debt Facility at

### 31 Dec '24

**\$5M**

Loan amount

**9.5%**

Interest rate stability

#### Repayment Schedule

Mar 2025	\$1.0M
Sep 2025	\$0.75M
Mar 2026	\$1.0M
Mar 27	\$2.25M

#### Covenants

Minimum Cash Balance	EBITDA Covenant
Required to maintain at least \$0.75M at all times	Specific quarterly targets effective from 31 March 2025

Debt Facility at

### Feb'25

**\$5M**

Loan amount

**9.5%**

Rate remained unchanged

#### Repayment Schedule

Mar 25–Feb 26	\$0.100M / per month
Mar 26–Mar 27	\$0.125M / per month
Mar 27	Final payment of outstanding capital

#### Covenants

Minimum Cash Balance	EBITDA Covenant
Required to maintain at least \$0.75M at all times	Specific quarterly targets effective from 30 June 2025

Debt Facility from

### Jul'25

**\$3.6M\***

Loan amount

**9.5%**

Rate remained unchanged

#### Repayment Schedule

Jul 25–Dec 25	Payment holiday
Jan 26–Jul 27	\$0.100M / per month
Jul 27	Final payment of outstanding capital

#### Covenants#

Minimum Cash Balance	EBITDA Covenant
Required to maintain at least \$0.75M at all times	Specific quarterly targets effective from 30 June 2025

\*Post conversion of \$1m of debt to a Converting note.

#New covenant targets are currently being negotiated with financier



Screens and content are illustrative\*

# Appendices

# Adjusted EBITDA reconciliation

	1H26	1H25	Change
Loss from continuing operations before income tax	(5,507)	(991)	456%
Depreciation and amortisation expense	1,132	639	77%
Interest expense	1,080	235	360%
Loss / (gain) on fair value of derivatives	(1,209)	(114)	961%
Share based payments	256	175	46%
Adjusted EBITDA (\$m)	(4,248)	(56)	≥1,000%

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- 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.**

# SPACETALK

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