ASX Announcement | 28 August 2026
Spacetalk Ltd (ASX: SPA)

Spacetalk completes transformation year, with Mobile now 50% of revenue and recurring revenue mix lifting to 66%

Spacetalk Ltd (ASX: SPA) ("Spacetalk" or "the Company") provides its results for the full year ended 30 June 2026 ("FY26").

KEY PERFORMANCE HIGHLIGHTS

- **Spacetalk Mobile:** Revenue up 16% to $8.1m and now the largest revenue stream at 50% of total revenue (FY25: 35%); active subscribers up 18% to 60.6k.
- **Revenue from continuing operations:** $16.2m, down (17%) from $19.6m in FY25, primarily driven by lower device revenue and the planned Schools wind-down. The Company secured a major new retail partner during the financial year.
- **Recurring revenue mix:** 66% of total revenue, up from 57% in FY25.
- **Annual recurring revenue (ARR):** $10.8m, down (11%) on FY25, primarily due to anticipated Schools wind-down, with Spacetalk Mobile ARR up 5% to $8.4m.
- **Gross profit:** $7.5m, with margin of 46% (FY25: 50%), due to device margin compression. Notably, recurring revenue gross margin remained resilient with Apps margin improving 10 ppts to 80%.
- **Operating expenses:** Increased 61% to $20.0m as the Company invested ahead of revenue in re-platforming, product capability and remediation.
- **Adjusted EBITDA**[1]: ($10.2m) loss (FY25: ($1.9m) loss).
- **Cash at period end:** $0.9m.
- **Subsequent to year end:** Two significant binding agreements executed with TPG Telecom Limited (ASX: TPG), and binding commitments received to raise $10.0m before costs.

[1] Adjusted EBITDA is a non-IFRS measure defined as earnings before interest, tax, depreciation and amortisation, and excludes fair value of derivatives, share based payments and impairment of non-financial assets. A reconciliation to the statutory loss before income tax is set out in the Directors' Report within the Annual Report for the year ended 30 June 2026. Non-IFRS financial information has not been audited.

CEO Statement

Commenting on the results, Spacetalk's CEO and Managing Director Simon Crowther said:

"FY26 was a necessary reset year and an important step in the transformation of Spacetalk. We now have a modern, scalable architecture that enables new products and data capabilities, and moves Spacetalk from a hardware-led business to a software-led, hardware-enabled global family safety platform.

"The re-platforming was complex and disruptive, and our FY26 financial performance reflects this. There are already positive signs of progress. Spacetalk Mobile revenue grew 16% to $8.1m and is now 50% of revenue, subscribers grew 18% to 60.6k with the majority on annual plans, and the quality of our revenue is improving with recurring revenue now 66% of total.

"The agreements signed with TPG Telecom shortly after year end are an important validation of this strategy. Our Vodafone Australia partnership provides a pathway to distribute Spacetalk's family safety software to a large customer base, and the wholesale mobile agreement will improve unit economics while delivering greater operational flexibility. Importantly, the commercial model established with Vodafone can be replicated with telco partners internationally.

"FY27 is a year of execution. We expect to launch the Vodafone co-branded app, introduce online safety and tiered in-app subscription capabilities, migrate our mobile base to TPG, progress additional international telco partnerships, launch new kids hardware and continue advancing our Sibyl seniors proposition. The foundation is now in place."

FY26 Financial Summary

Item ($'000)	2026	2025	% Change
Revenue from continuing operations	$16.2	$19.6	(17%)
Gross profit	$7.5	$9.7	(23%)
Gross margin	46%	50%	(4 ppts)
Annual recurring revenue	$10.8	$12.1	(11%)
Operating expenses (excluding D&A)	$20.0	$12.5	61%
Adjusted EBITDA	($10.2)	($1.9)	(449%)
Net loss after tax	($17.2)	($4.5)	(277%)
Cash balance (period end)	$0.9	$1.1	(24%)

Revenue from continuing operations declined (17%) to $16.2m (FY25: $19.6m). Device revenue decreased to $5.5m (FY25: $8.3m) as a result of lower unit sales, a shift in product mix towards a lower-priced variant, and higher discounting in a more competitive market. During the year, the

Company commenced sales through a major new retail partner, strengthening the Company's presence within a significant family-oriented retail channel and broadens access to its target customer base.

Spacetalk mobile revenue increased by 16% to $8.1m in FY26 (FY25: $7.0m), in line with the increase in subscriber numbers. The Company remains focused on scaling mobile revenue given its superior unit economics relative to app-only offerings, with bundled app access supporting stronger customer adoption, retention and lifetime value.

Apps revenue declined (30%) to $1.7m reflecting the continued natural run-off of a legacy cohort of international subscribers following the Company's exit from international retail channels 3 years ago. Domestically, app subscriber growth has also been impacted by the bundling of app access with Spacetalk Mobile, which provides customers with a higher-value proposition and has supported migration towards the Company's mobile offering. This shift is consistent with the Company's strategy to grow higher value recurring mobile revenue. The launch of the Vodafone Australia co-branded app and the rollout of new digital features and tiered app subscription pricing in 2QFY27 will greatly enhance the utility of the app and expected to drive new app user and subscriber growth over time and expand monetisation opportunities.

Schools' revenue declined (50%) to $0.9m due to the decline in the number of school subscriptions. The decline was principally driven by the known and planned migration of a cohort of Western Australian schools to a government insourced platform.

ARR declined (11%) to $10.8m, due to the Schools wind-down and the app decline is expected and reflects the composition of the current subscriber base, which includes a cohort of international subscribers that has been in natural run-off since the Company exited its international retail channel business approximately three years ago, partly offset by 5% growth in Spacetalk Mobile ARR to $8.4m. Recurring revenue represented 66% of total revenue (FY25: 57%).

Gross profit declined (23%) to $7.5m and gross margin contracted 4 ppts to 46%, with compression concentrated in Devices (24%, down 7 ppts). Recurring revenue gross margin was broadly maintained, with Apps margin improving 10 ppts to 80%.

Operating expenses before depreciation and amortisation increased 61% to $20.0m, driven by third-party technology, consulting and contractor spend on the re-platforming programme and third-quarter remediation activity, investment in technology and product capability, and $1.1m of write-offs of non-financial assets. Adjusted EBITDA was a loss of ($10.2m) and net loss after tax was ($17.2m). Basic and diluted loss per share was (16.2) cents (FY25: 7.4 cents).

Net cash used in operating activities was $7.4m (FY25: $2.7m) and investment in intangible assets was $4.5m (FY25: $1.6m), representing capitalised development on the new platform and app. Financing activities generated $11.6m. The Company ended the year with a cash balance of $0.9m.

Funding & Capital Structure

- **Capital raised during FY26:** $7.5m through two equity placements (111,712,050 shares) and $6.6m through the issue of converting notes, of which $2.0m converted to equity during the year. $1.0m of the Pure Asset Management secured loan was converted into converting notes, reducing the facility to $3.6m.
- **Subsequent to year-end:** On 3 August 2026, 4,475,000 converting notes with a face value of $1.00 each converted into 59,630,957 fully paid ordinary shares, with the balance of 75,000 notes forfeited.

  On 5 August 2026, the Company received binding commitments to raise $10.0m before costs through a two-tranche placement of 133,333,333 shares at $0.075. Tranche 1 (34,581,000 shares, approximately $2.6m) was issued on 13 August 2026; Tranche 2 (98,752,333 shares, approximately $7.4m) remains subject to shareholder approval.

The release of this announcement has been approved by Spacetalk's CEO, Simon Crowther, on behalf of the board of directors of the Company.

To keep up to date with company news and announcements, visit: investorhub.spacetalk.co

For further information or investor enquiries, please contact: investors@spacetalk.co

Spacetalk Limited (ASX: SPA)
Simon Crowther
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ABOUT SPACETALK LTD

Spacetalk Ltd (ASX: SPA) develops and sells hardware and software to provide safety at every stage of life. Spacetalk offers families a suite of solutions: Australia's best-selling Kids Smart Watches (GFK Report July 2024: Total Sales of Kids Smartwatch in Australia), Spacetalk Mobile, Spacetalk App, and Adult Wearables. The Spacetalk ecosystem provides freedom with peace of mind. To learn more, please visit: spacetalk.co

FORWARD-LOOKING STATEMENTS

This announcement may contain forward-looking statements. These statements are based on Spacetalk's expectations, estimates, and projections at the time the statements are made. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Actual outcomes and results may differ materially from those expressed or implied in these forward-looking statements. Spacetalk undertakes no obligation to update these statements for events or circumstances occurring after the date of this announcement.