



ASX Announcement | 29 April 2026
Spacetalk Ltd (ASX: SPA)

Quarterly Activities Report, Business Update and Appendix 4C
for the quarter ended 31 March 2026

Active Mobile Subscribers Up 18%, driving 11% Growth in Spacetalk
Mobile Recurring Revenue
Operational business reset and platform investment positions
Company to capitalise on Telco opportunities.

Spacetalk Ltd (ASX: SPA) ("Spacetalk" or "the Company") is pleased to provide its Appendix 4C for the quarter ended 31 March 2026 (3QFY26) along with an operational update.

Summary trading update

The quarter marked a deliberate reset for the Company, with management prioritising platform stability, customer experience and operational discipline following the recent platform launch. This period of consolidation is intended to position the business for more sustainable growth as it continues its transition to a software-led, recurring revenue model.

During the quarter, the Company **entered into a Memorandum of Understanding (MOU) with TPG Telecom Limited (ASX:TPG)**, marking a significant step in advancing its Telco partnership strategy. The MOU provides a framework for collaboration on the rollout of the Company's family safety platform, with **formal contract negotiations on track for finalisation in 4QFY26**. This partnership is expected to deliver future software subscriber growth through improved distribution, new customer acquisition and engagement.

The Company also **successfully undertook a \$6m capital raise** via a two-tranche placement during the quarter, strengthening its balance sheet and providing funding to support ongoing platform development, customer growth initiatives and working capital requirements. Tranche 1 proceeds of \$0.9m have been received, with the remaining \$5.1m from Tranche 2 subject to shareholder approval at a General Meeting scheduled for 20 May 2026. The capital raise positions the Company to execute on its strategic priorities and pursue its growing pipeline of enterprise and Telco opportunities.



During the quarter, the **Company significantly increased its investment in the app and platform, with development spend rising by 186% in 3QFY26 to \$1.0m (3QFY25: \$0.4m)**. This uplift is a result of investment in enhancing platform functionality, stability and scalability, as well as supporting the ongoing development of features required to capitalise on emerging Telco partnership opportunities.

From a trading perspective, revenue declined by 29% year-on-year to \$3.6m in 3QFY26 (3QFY25: \$5.0m), primarily due to lower device revenue. This decline was due to both the continued strategic shift away from hardware to focus on the Company's app and software-led model, as well as timing differences around the placing of orders by retailers. While mobile subscription revenue continued to grow, consistent with the Company's focus on recurring revenues, total revenue for the quarter was lower year-on-year (3QFY26: \$3.6m vs 3QFY25: \$5.0m).

Operating expenditure increased during the quarter, primarily within Customer Support and Technology functions, as the Company undertook remediation initiatives to address short term service disruptions experienced following the platform launch. These costs incurred were focused on improving platform stability, enhancing customer experience, and resolving elevated customer support ticket volumes. The improved stability of the platform will lead operating costs to reduce to levels prior to the new app launch in 4QFY26.

The Company has undertaken a broad review of its cost base to better align the business with its software-led strategy and the opportunities presented by its growing pipeline of Telco partnerships. This has resulted in identified **optimisation initiatives expected to deliver annualised cash cost savings of approximately \$3.5m**.

The Company continues to build a **growing pipeline of Telco partnership opportunities**, with multiple counterparties at various stages of engagement. These opportunities, together with the progress made with TPG Telecom Limited, are expected to underpin future growth in subscribers and ARR over the medium term.

The Company remains focused on its long-term strategy, with its software-led platform and Telco partnership model, together with a growing pipeline of Telco opportunities, supporting scalable growth and underpinning its reaffirmed CY2026 ARR guidance of \$20–\$25m.

Financial Highlights:

- **Global Active Mobile Subscribers Growth:** Active subscribers for Spacetalk Mobile Virtual Network Operator (MVNO) increased to 57.9k in 3QFY26, up from 49.1k in 3QFY25, representing a 18% year-on-year growth. This continued expansion of the active subscriber base is directly enhancing the quality of the Company's revenue, with mobile subscriptions providing a higher proportion of recurring revenue.

- **Annual Recurring Revenue (ARR) Performance:** ARR declined by 6% year-on-year to \$10.9m in 3QFY26 (3QFY25: \$11.6m), primarily driven by a 50% reduction in the legacy Schools revenue, in line with the ongoing strategic wind-down of the Schools business. Notably, Spacetalk Mobile ARR maintained its strong growth trajectory, with an increase of 11% from 7.5m to 8.3m.
- **Revenue performance for the quarter:** Revenue for 3QFY26 was \$3.6m, a decrease of \$1.4m compared to \$5.0m in 3QFY25. Importantly, underlying consumer demand continued to grow, with sell-out from retail inventory increasing by 3% year-on-year, demonstrating continued customer demand. The reduction in revenue was primarily attributable to lower device revenue, which comprises sell-in to retail partners and direct to consumer eCommerce sales. The reduction reflects lower sell-in volumes as a result of reduced channel replenishment during the quarter compared to prior comparative period. The Company is actively working with its wholesale partners to better align order levels with underlying sell-out trends, supporting more consistent revenue and inventory management over time.
- **Operating Payments (Excluding Inventory and service enabling costs):** Operating payments (excluding inventory and service enabling costs) remained consistent at \$3.7m in 3QFY26, compared with \$3.6m in 3QFY25. While the overall spend was stable, the current period included one-off costs associated with remediation activities that were undertaken to address service disruptions experienced following the platform launch. The Company has commenced a cost containment program expected to deliver \$3.5m in annualised savings from 4QFY26, supporting a return to business-as-usual operations and execution of the product roadmap.
- **Net Operating Cash Flow (Before Inventory and service enabling costs):** Net operating cash flow before inventory and service enabling costs was \$1.2m in 3QFY26, compared to \$2.4m in 3QFY25. The decrease of \$1.2m was primarily driven by a timing difference in the receipt of Research & Development incentive (\$500k received in 3QFY25) and remediation activities that were undertaken in 3QFY26 to address service disruptions experienced post platform launch.
- **Scalable Telco SaaS Model:** The Company entered in a non-binding Memorandum of Understanding (MOU) with TPG Telecom Limited (ASX: TPG) to collaborate on the potential distribution of Spacetalk's Family Safety software platform to millions of Vodafone Australia postpaid mobile customers for an initial 12-month period.

The MOU represents a significant milestone in Spacetalk's strategic transition from a predominantly hardware-led business toward a software-led, device-agnostic platform embedded within telecommunications customer ecosystems.

Spacetalk is progressing discussions with multiple large telecommunications providers across APAC, Europe and North America, leveraging the partnership framework established under the TPG Telecom (Vodafone Australia) MOU. The Company has established a qualified international telco partnership pipeline, with further updates expected during FY26.

Spacetalk Chief Executive Officer and Managing Director Simon Crowther said:

"Following the platform launch in the prior period, the March quarter was characterised by a reset in execution priorities, with particular focus on strengthening operational foundations, improving platform performance and aligning the business to capture emerging telecommunications partnership opportunities within a software-led, recurring revenue model.

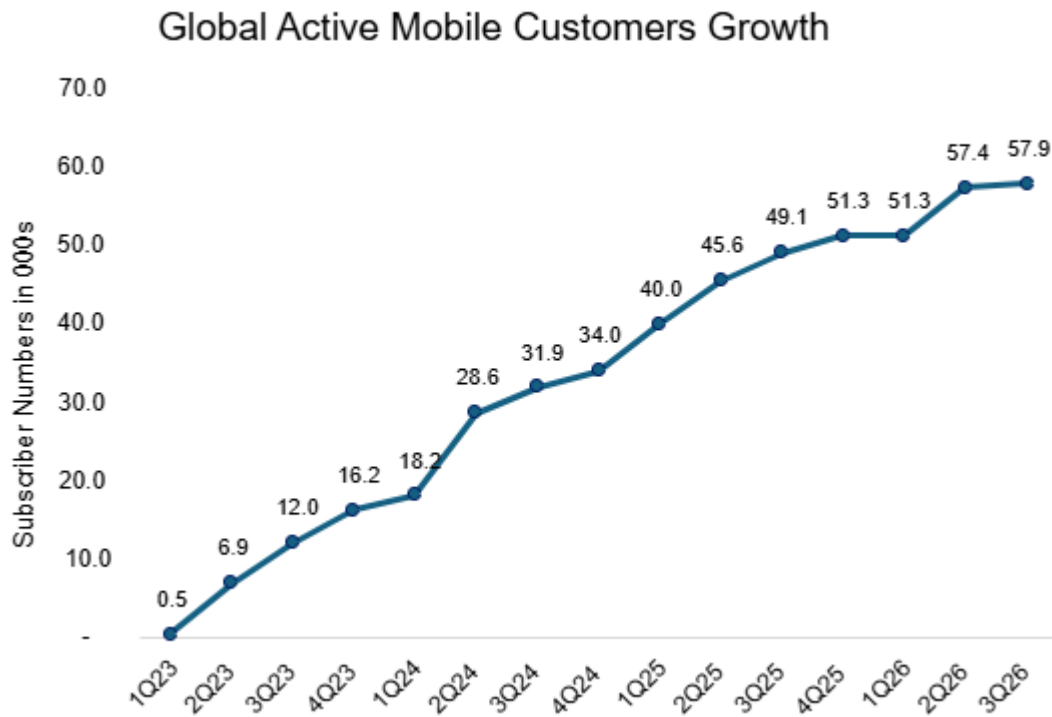
During the quarter, the Company entered into a non-binding Memorandum of Understanding (MOU) with TPG Telecom Limited (ASX: TPG) to collaborate on distribution of the Company's family safety platform across Vodafone Australia's postpaid customer base, representing an important milestone in executing the Company's Telco-led growth strategy. Commercial negotiations with TPG remain on track, with contract finalisation expected in 4QFY26.

The Company also successfully undertook a \$6 million capital raise, strengthening the balance sheet and supporting ongoing platform development, customer growth initiatives and execution of its expanding partnership pipeline.

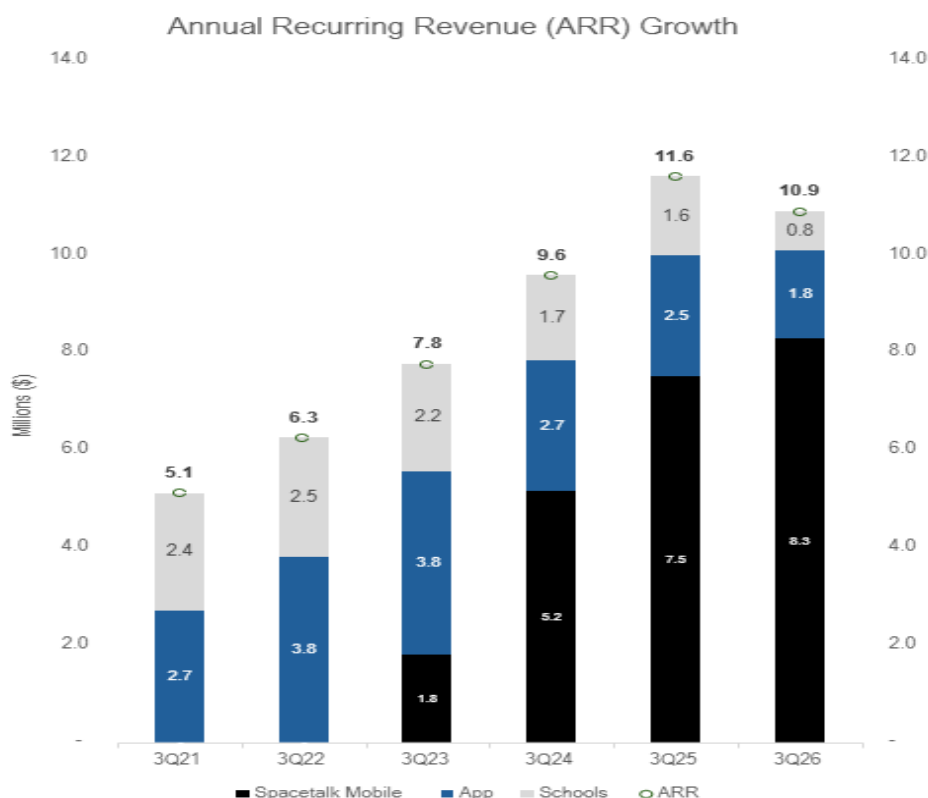
The Company continues to advance a growing global pipeline of telecommunications partnerships across APAC, Europe and North America, positioning the business to scale through capital-efficient distribution channels."

Recurring revenue

Spacetalk achieved a 18% year-on-year increase in active mobile subscribers, reaching **57.9k in 3QFY26**, up from 49.1k in 3QFY25. At quarter-end, **56%** of Spacetalk Mobile customers were on annual plans, supporting stronger customer retention and enhancing lifetime value across the platform.



Annual Recurring Revenue (ARR) decreased by 6% year-on-year to \$10.9m (3QFY25: \$11.6m). The decline was primarily driven by a 50% reduction in Schools revenue, in line with the continued strategic wind-down of the Schools business. Spacetalk Mobile ARR continued to demonstrate growth, increasing 11% year-on-year to \$8.3m (3QFY25: \$7.5m), supported by ongoing expansion of the mobile subscriber base.



- ARR from Spacetalk Mobile** increased by 11% year-on-year to \$8.3m (3QFY25: \$7.5m), driven by continued growth in the subscriber base. The Company remains focused on scaling mobile revenue given its superior unit economics relative to app-only offerings. Bundling app access within mobile plans supports stronger customer adoption, retention and lifetime value, while enabling multiple recurring revenue streams per family and improving overall recurring revenue quality and per-customer profitability.
- ARR from the App** decreased 28% year-on-year to \$1.8m (3QFY25: \$2.5m), reflecting continued migration of customers to the mobile subscription model. Looking ahead, the launch of the Company's enhanced safety platform, together with Telco partnerships similar to that with TPG Telecom Limited (subject to finalization of contract negotiations and implementation), is expected to drive user and subscriber growth through improved customer acquisition, engagement and retention, supporting ARR growth over time.
- ARR from Schools** declined by \$0.8m to \$0.8m (3QFY25: \$1.6m), consistent with expectations, as the business continues to manage this offering in run-off mode while state governments progressively provide one-stop-shop student management and messaging services.

Income and Gross Profit Highlights:

Product	3Q26 in '\$'000s		3Q25 in '\$'000s		PCP Change '%'	
	Revenue	Gross Profit	Revenue	Gross Profit	Revenue	Gross Profit
Spacetalk Mobile	2,046	1,021	1,878	970	9%	5%
Apps	355	300	619	359	-43%	-16%
Schools	171	144	306	282	-44%	-49%
Recurring sub-total	2,572	1,465	2,803	1,611	-8%	-9%
Devices	1,003	93	2,222	841	-55%	-89%
Corporate	9	9	28	28	-68%	-68%
TOTAL	3,584	1,567	5,053	2,480	-29%	-37%
Gross Profit Margin		44%		49%		

Key movements

- **Revenue** declined by 29% year-on-year to \$3.6m in 3QFY26 (3QFY25: \$5.0m), primarily due to lower device sales. The decline was primarily attributable to lower device revenue. Retail device sell-out remained broadly consistent with the prior quarter, indicating stable underlying consumer demand, while reduced retailer sell-in reflected channel partners working through existing inventory levels.
- **Device revenue** decreased 55% year-on-year to \$1.0m in 3QFY26 (3QFY25: \$2.2m), primarily due to timing impacts as retail partners continued to reduce existing inventory levels, resulting in lower reorder activity during the quarter. Underlying consumer demand remained resilient, with retail sell-out increasing 3% year-on-year, despite reduced channel replenishment during the period.
- **Spacetalk Mobile** revenue increased by 9% year-on-year to \$2.0m in 3QFY26 (3QFY25: \$1.9m), driven by continued growth in the subscription base. The Company remains focused on scaling mobile revenue given its superior unit economics relative to app-only offerings.
- **Apps revenue declined** by 43% year-on-year to \$355k in 3QFY26 (3QFY25: \$619k), primarily reflecting customer migration to Spacetalk Mobile subscriptions, which bundle app access within the plan.

- **Schools revenue** declined by 44% year-on-year to \$171k in 3QFY26 (3QFY25: \$306k), in line with expectations, as the business continues to manage this offering in run-off mode while state governments progressively insource these services.

Cashflow from Operating & Investing Activities

- **Operating Cash Flow:** Net cash generated from operating activities was positive \$0.6m in 3QFY26, compared to a net cash outflow of \$0.8m in 3QFY25. The improvement was driven by lower working capital requirements as a result of lower investments in inventory in response to timing in retailer order patterns.
- **Investing activities** increased to \$1.1m in 3QFY26 (3QFY25: \$0.4m), reflecting continued investment in strategic growth initiatives, primarily associated with the launch of the new platform during the quarter.

Financing Activities:

- After the quarter end, the Company successfully raised \$6.0m from institutional and professional investors via a two-tranche placement of fully paid ordinary shares ("Placement"). Tranche 1 shares of 15,694,712 (~\$942k) have since been issued, while Tranche 2 shares of 84,535,288 shares (~\$5,072k) will be issued subject to a general meeting of shareholders which has been scheduled for the 20th of May 2026.

Related Party Payments

Payments to related parties and their associates during the quarter amounted to \$147k, and this related to aggregate remuneration paid to all Directors of the company for the period.

The release of this announcement has been approved by the 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:

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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: www.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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Spacetalk Ltd

ABN

93 091 351 530

Quarter ended ("current quarter")

March 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,876	15,030
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(602)	(5,780)
(c) advertising and marketing	(696)	(2,667)
(d) leased assets	(5)	(112)
(e) staff costs	(1,519)	(4,309)
(f) administration and corporate costs	(1,441)	(5,857)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	4
1.5 Interest and other costs of finance paid	(2)	(404)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	888
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	611	(3,207)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant, and equipment	(41)	(47)
(d) investments	-	-
(e) intellectual property	(1,033)	(2,997)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant, and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,074)	(3,044)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5	1,505
3.2	Proceeds from issue of convertible debt securities	-	5,180
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	36	(468)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	41	6,217

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,538	1,149
4.2	Net cash from / (used in) operating activities (item 1.9 above)	611	(3,207)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,074)	(3,044)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	41	6,217
4.5	Effect of movement in exchange rates on cash held	(4)	(3)
4.6	Cash and cash equivalents at end of period	1,112	1,112

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	951	1,377
5.2	Call deposits	161	161
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,112	1,538

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1*	147
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
* Aggregate amount paid to all Directors of the entity including salary, directors fees, consulting fees and superannuation.		

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	3,600	3,600
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	3,600	3,600
7.5	Unused financing facilities available at quarter end	NIL	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

KEY TERMS:

Debt Facility: \$3.6m

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

Convertible Note: \$1.0m

- Interest rate: 10.00%
- Conversion date: 31 July 2026

Covenants:

The lender granted a waiver of financial covenants for 3QFY26.

- 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.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	611
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,112
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,112
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

29 April 2026

Date:

By the Board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.