ASX Announcement | 31 July 2026
Spacetalk Ltd (ASX: SPA)

Quarterly Activities Report, Business Update and Appendix 4C for the quarter ended 30 June 2026

Mobile Subscribers Up 18% to 60.6k
Binding TPG Telecom (Vodafone Australia) agreements signed subsequent to quarter end.

Spacetalk Ltd (ASX: SPA) ("Spacetalk" or "the Company") is pleased to provide its Appendix 4C for the quarter ended 30 June 2026 (4QFY26) along with an operational update.

Summary trading update

The June 2026 quarter delivered strong operational momentum across the business and laid the foundation for a significant strategic milestone achieved shortly after quarter end. The execution of two transformational agreements with TPG Telecom Limited (ASX:TPG) validates the Company's strategy of building a software-led family safety platform and establishing a scalable commercial model that combines connected devices, mobile connectivity and recurring B2C, B2B and B2B2C software services delivered initially to Vodafone Australia.

The agreements significantly expand the Company's addressable market, improve the economics of its existing mobile business and introduce new recurring software revenue streams through Vodafone Australia. Management believes this also establishes a new repeatable Enterprise model that can be deployed with telecommunications operators, and other large subscription base businesses internationally.

Strong operating momentum supports the strategic transition
The June quarter also draws the curtain on what has been a deliberate reset year for Spacetalk, in which management has put in place the commercial, product and distribution building blocks for a software-led growth trajectory.

Against that backdrop, revenue for the quarter declined 16% ($0.8m) year-on-year to $4.2m (4QFY25: $5.0m), due to the continued planned run-off of Schools revenue and marginally lower device revenue. This was offset by continued strong growth in Spacetalk Mobile. The overarching revenue decline reflects the transformational nature of the quarter which was otherwise operationally strong.

Spacetalk Mobile subscriber base increased by 18% PCP

The Company's recurring subscriber base continued to expand, with the active Spacetalk Mobile subscriber base growing by 18% to 60.6k (4QFY25: 51.3k), continuing the shift of revenue mix to higher-value recurring revenue mobile services.

Device unit sales increased by 47% PCP overall with 82% increase in ANZ retail sell in

Device unit sales increased 47% PCP to 13.1k units (4QFY25: 8.9k), driven by an 82% increase in ANZ Retail device unit sales. The result demonstrates continued demand for Spacetalk's family safety products that provide an ongoing customer acquisition driver into the Company's software and mobile ecosystem.

Despite the volume uplift, device revenue declined by 10% due to a shift in product mix towards lower-priced variants and higher promotional activity during the quarter. The Company sold a lower-featured device variant into a major new retail partner secured during the financial year. While this variant carries a lower average selling price than the Company's premium devices, it strengthens the Company's presence within a major family-oriented retail channel and broadens access to its target customer base.

Consistent with the Company's software-led strategy, these device sales represent an entry point into the Spacetalk ecosystem, with customers expected to generate recurring software subscription revenue as they activate mobile and app services over time. Accordingly, while the change in product mix reduced average sell-in prices and compressed device revenue during the quarter, management expects these customers to contribute to a higher-quality, recurring revenue base over their lifetime. The mix shift also reflects increased price competition following the entry of new market participants and promotional pricing of legacy hardware.

Increased investment in new product innovation, data and technology capabilities

During the quarter, the Company significantly increased its investment in the Spacetalk app, platform, and underlying data and technology stack, with development spend rising by 200% in 4QFY26 to $1.5m (4QFY25: $0.5m). This uplift is a result of investment in enhancing app and platform functionality, experience and scalability, as well as supporting the ongoing development of data analytics and online safety features required to capitalise on emerging Telco partnership opportunities.

This investment means that the Company now has a product offering to retain families who would otherwise be lost as kids grow out of Spacetalk watch usage, with subscriber growth and retention now being more valuable than under the Company's legacy hardware focused business model as each subscriber and user now contributes to driving a network and adoption flywheel effect. Early Spacetalk app usage trends show app subscribers are inviting more new users and subscribers to the app, with each having the potential to generate multiple recurring revenue streams through software subscriptions, software/mobile plan bundles, and hardware sales.

This new capability enables a transition from viewing individual parents and watch users as customers, to viewing entire households as accounts, with the aim of increasing average revenue per individual user (ARPU), average revenue per account (ARPA), and customer lifetime value (CLTV). The new technology stack, data analytics and app capability developed further strengthens the commercial proposition for both Spacetalk's global B2C ecosystem of hardware, software and mobile connection, and the value proposition for telecommunications partners who seek to drive the same commercial outcomes from individual user and whole of household engagement.

A Broader Recurring Revenue and Low-Cost Customer Acquisition Model
Agreements with Telco's materially broaden the Company's revenue model, and ability to acquire new, monetisable, app users. Historically, revenue was principally generated through device sales, mobile connectivity and direct software subscriptions. Going forward, the Company will benefit from multiple layers of recurring revenue that increase as customer adoption and engagement grow.

- **Layer 1 – Software licensing revenue**: Spacetalk is paid a recurring monthly fee by Telcos based on the number of eligible subscribers actively using a co-branded or white labeled version of the Spacetalk family safety app. New users invited as a result of the network and flywheel effect created by the app are Spacetalk users.
- **Layer 2 – Premium software subscriptions**: Customers who upgrade from the app pricing tier covered by Telco payments to higher-tier app subscriptions will generate additional recurring subscription revenue shared between Spacetalk and the Telco.
- **Layer 3 – Attributed sales revenue**: Spacetalk earns a commission on purchases of telco mobile, broadband and hardware products made by app users as a result of in, or around-app engagement.

Collectively, these revenue streams materially increase the proportion of higher-quality recurring software and connectivity revenue within the business while creating a low cost whole of household customer acquisition channel that significantly reduces reliance on kids device sales as the main channel for customer acquisition over time.

Improved wholesale costs and better commercial flexibility: In addition to anticipated revenue growth supported by the Company's ability to offer mobile plan products with more attractive inclusions, terms and price points to entire households, the new wholesale network agreement with TPG Telcom provides improved wholesale economics relative to the previous arrangement and greater commercial flexibility.

New growth drivers enabled by the new platform
The Company's investment in a new technology platform has created multiple new avenues for growth beyond its traditional device-led business. In addition to the Vodafone Australia agreement, the platform enables new customer acquisition channels, expands monetisation opportunities and supports a scalable partner distribution model. Collectively, these growth

drivers materially increase Spacetalk's addressable and obtainable market and reinforce its strategic transition to a software-led business with multiple recurring revenue streams:

- **Direct-to-Consumer software-only subscriptions**: For the first time, Spacetalk can acquire software users and subscribers without requiring the purchase of a connected hardware device. This expands the Company's addressable market beyond kid smartwatch sales and families with younger kids to sandwich generation households with older kids, and older relatives. This further broadens the Company's customer acquisition channels and enables a more capital-efficient software growth strategy. An in-app tiered pricing model is scheduled for 2QFY27.
- **Bundled app and handset plans**: The enhanced family safety app scheduled for 2QFY27 will be offered as a bundled proposition with Spacetalk handset plans — a combination that has no direct equivalent in the Australian market and strengthens the value proposition for whole households seeking integrated connectivity and location and online safety tools.
- **Wearable subscriber retention**: The app now offers continued utility beyond being a companion app to a wearable device, providing a clear upgrade path for families whose children have outgrown a kids' smartwatch. Rather than churning, these subscribers can transition to a handset plan that will soon provide access to a premium tier of the app including online safety features, extending the customer value proposition for tweens and teens and increasing customer lifetime value.
- **Key enabler for 'Sibyl' seniors hardware and software**: The new tech stack and app are a key milestone in the ongoing development of 'Sibyl', the Company's predictive health and fall safety hardware and software product based on research and IP from Neuroscience Research Australia (NeuRA) and the University of New South Wales (UNSW). This further strengthens the Company's proposition of safety at every stage of life.
- **Retail distribution of handset plans**: The move to TPG, and ability to bundle mobile plans with app subscriptions will also enable Spacetalk mobile plans to be distributed through retail channels, complementing the Company's existing device retail and mobile product direct-to-consumer channels. This provides an additional customer acquisition channel and increases the opportunity to scale recurring connectivity revenues.
- **In-app commerce and attributed revenue**: As the Company executes telecommunications partnership agreements, in-app and app attributed commerce revenue is expected to provide an incrementally growing commission stream tied directly to subscriber purchasing activity within and around the platform.
- **Partner-enabled software distribution**: The Vodafone Australia agreement provides commercial validation of the Company's platform as a business-to-business software solution for telecommunications operators, and a repeatable framework to engage telecommunications partners globally, creating a scalable distribution channel and

and subscriber growth engine that complements the Company's direct-to-consumer business.

FY27 Priorities

The Company enters FY27 with growing device unit sales, an expanding recurring subscriber base, an agreement leading to improved mobile plan unit economics, a materially broader software opportunity and a validated partner distribution model.

Management's priorities for FY27 are to:

- Complete technical integration and commence phased migration of Spacetalk Mobile subscribers to TPG's wholesale mobile network.
- Launch the co-branded Vodafone Australia family safety app, including online safety and digital wellbeing features, scheduled for 2QFY27.
- Progress software partnership discussions with telecommunications operators across APAC, Europe and North America, leveraging the Company’s success in the Australian market.
- Launch the Spacetalk App on Apple and Samsung watches and launch new kids smartwatch hardware with improved unit economics in the second half of the year.

Financial Highlights:

- **Active Mobile Subscribers Growth:** Spacetalk Mobile (MVNO) active subscribers grew 18% year-on-year to 60.6k in 4QFY26 (from 51.3k in 4QFY25), with the expanding subscriber base driving a higher proportion of recurring revenue.
- **Annual Recurring Revenue (ARR) Performance:** ARR declined by (11%) year-on-year to $10.8m in 4QFY26 (4QFY25: $12.1m), primarily driven by the continued strategic wind-down of the legacy Schools business and planned decline in app ARR, which is expected to be temporary, as new features and an app tiered pricing model are rolled out in 2QFY27. The decline in Schools ARR is expected to be more than replaced by the recurring revenue from the first year of the Vodafone Australia agreement, validating the Company's strategic transition from a legacy Schools offering to a software-led business built on higher-quality, scalable recurring revenue streams.

  Spacetalk Mobile ARR increased 5% to $8.4m (4QFY25: $8.0m) and now represents 51% of total customer revenue, up from 42% on 4QFY25. Bundled mobile and App subscription revenue is expected to grow in the second half of the year supported by a tiered app subscription pricing model and better customer value, higher margin mobile plans from TPG Telcom.

  The TPG Telcom (Vodafone Australia) App agreement is expected to begin contributing recurring software revenue as the subscriber adoption ramp progresses, and the

Company is actively advancing a number of additional telecommunications partnership discussions at various stages of maturity.

- **Revenue performance for the quarter:** Device unit sales grew strongly, up 47% to 13.1k units in 4QFY26 (4QFY25: 8.9k). Despite this volume growth, device revenue declined due to a shift in product mix towards lower-priced device variants, as well as higher discounting activity attributable to greater competition and legacy products during the quarter. Revenue for 4QFY26 was $4.2m, a decrease of $0.8m (16%) compared to $5.0m in 4QFY25. The reduction was primarily attributable to lower device revenue (down 10%) and the continued run-down of the schools business, partially offset by Spacetalk Mobile.
- **Operating Payments (Excluding Inventory and service enabling costs):** Operating payments (excluding inventory and service enabling costs) were $5.9m in 4QFY26, compared with $2.4m in 4QFY25. The increase was primarily driven by targeted investments to support the transition to a software-led model, with focus directed towards strengthening technology resources.
- **Scalable Telco SaaS Model:** Subsequent to quarter end, on 6 July 2026, the Company signed binding agreements with TPG Telecom Limited (ASX: TPG), inclduing a commercial agreement under which Vodafone Australia will launch and market an exclusive co-branded family safety and digital wellbeing offer powered by Spacetalk's software platform, and a strategic MVNO wholesale agreement to migrate Spacetalk Mobile to the TPG Telecom wholesale mobile network that delivers better economics.

  The agreements validate the Company's B2B software proposition, establish a repeatable framework for pursuing similar opportunities with telecommunications operators in other markets, and are expected to improve Spacetalk Mobile's wholesale economics as the migration proceeds during FY27.

Spacetalk is progressing discussions with multiple large telecommunications providers globally, leveraging the partnership framework established with TPG Telecom.

Spacetalk Chief Executive Officer and Managing Director Simon Crowther said:

“"The June quarter marks an important inflection point for Spacetalk. The agreements we have executed with TPG Telecom, both the MVNO partnership and the Vodafone Australia software distribution deal fundamentally change the shape of our business. For the first time, we have a clear path to generating recurring software revenue at scale through a major telecommunications operator, and a commercial model we can replicate with other telco partners globally.

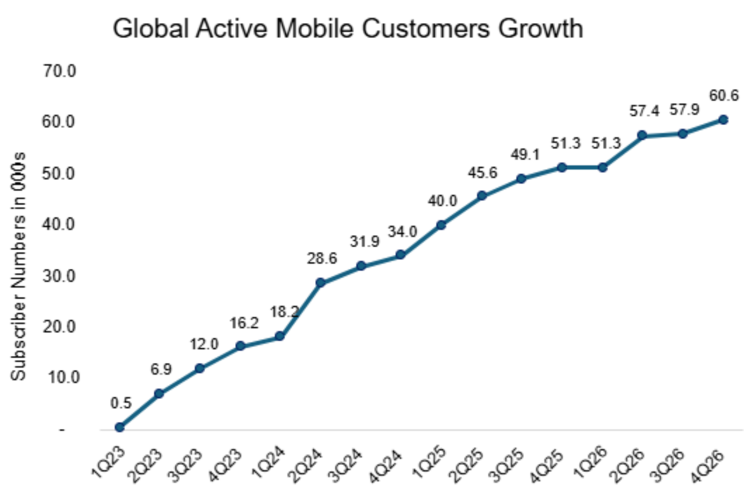
"Our operational performance during the quarter was strong. Device unit sales were up 47% and our subscriber base continued to grow, which gives us a larger and more valuable base from which to drive recurring revenue as the new agreements ramp.

"Our focus in FY27 is on execution. We will complete the technical integration and phased migration of Spacetalk Mobile subscribers onto TPG's mobile network, launch the co-branded Vodafone Australia family safety application with new online safety and digital wellbeing features, and leverage these landmark agreements to accelerate software partnership discussions with telecommunications operators across APAC, Europe and North America.

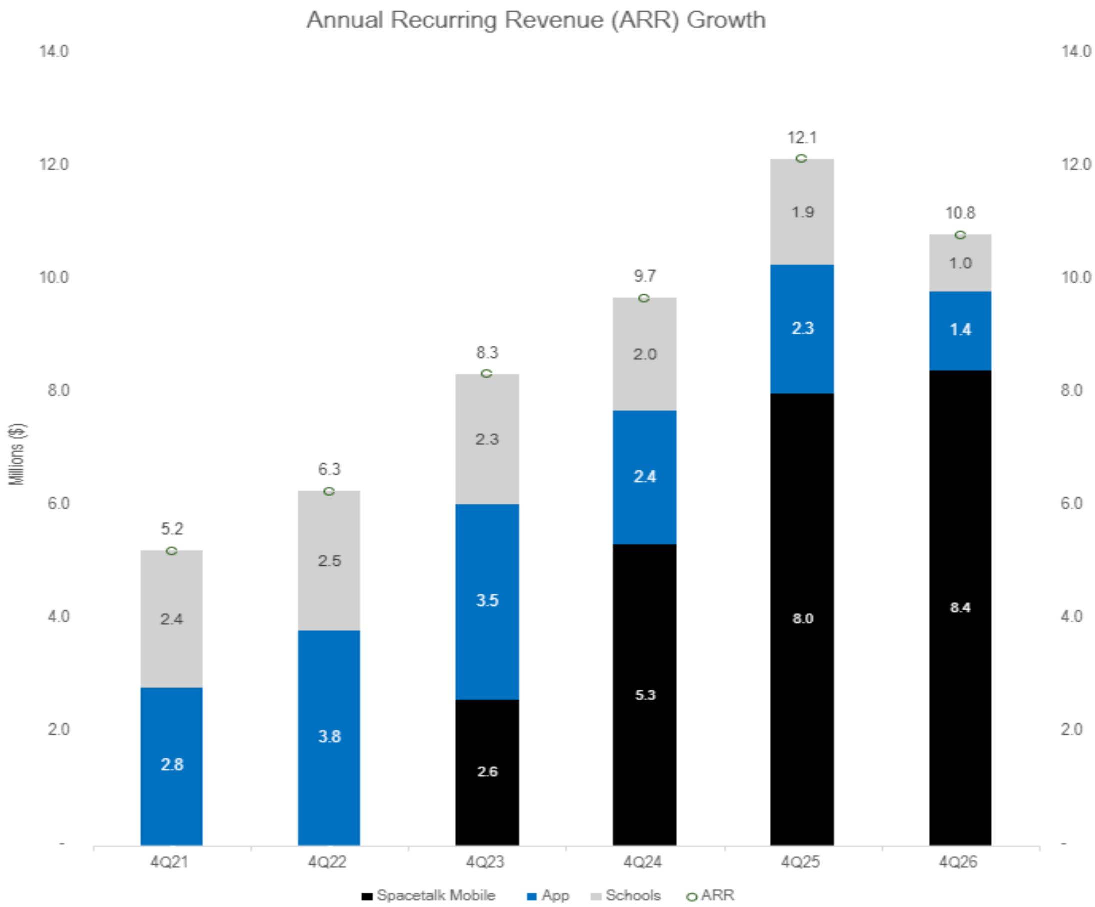
"We are building something genuinely differentiated - a family safety platform embedded within the telecommunications products that millions of telco subscribers already use every day. The foundation is now in place, and FY27 is the year we begin to demonstrate what that is worth."

Recurring revenue

Spacetalk achieved an 18% year-on-year increase in active mobile subscribers, reaching **60.6k in 4QFY26,** up from 51.3k in 4QFY25. 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 (11%) year-on-year to $10.8m (4QFY25: $12.1m). The decline was primarily driven by the continued strategic wind-down of the legacy Schools business and planned App ARR decline that is temporary as it reflects a transition point for the business as we exit a legacy software product and business. Spacetalk Mobile ARR continued to grow, increasing 5% to $8.4m (4QFY25: $8.0m), supported by ongoing expansion of the mobile subscriber base.



- **ARR from Spacetalk Mobile** increased 5% to $8.4m (4QFY25: $8.0m), driven by an 18% increase in the subscriber base. 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.
- **ARR from the App** decreased (39%) year-on-year to $1.4m (4QFY25: $2.3m). The 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. Domestically, the App has to this point been offered free with a mobile subscription, which has prioritised mobile subscriber growth over standalone app monetisation. The launch of the Vodafone Australia co-branded app and the rollout of new digital safety features and tiered app subscription pricing in 2QFY27 will greatly enhance the utility of the app is expected to drive new app user and subscriber growth over time.
- **ARR from Schools** declined to $1.0m (4QFY25: $1.9m), consistent with expectations, as the business continues to manage this offering in run-off mode while state governments progressively insource these services. The decline was principally driven by the known and planned migration of a cohort of Western Australian schools to a government-

insourced platform. The remaining Schools ARR reflects a smaller base of continuing customers and is expected to continue declining gradually as the run-off progresses. The anticipated decline in Schools revenue was a key factor underpinning the Company's strategic transition to a software-led business model. The Vodafone Australia agreement validates this strategy, with the contracted minimum MAU fee revenue from the first year of the agreement alone expected to more than replace the decline in Schools ARR while establishing a more scalable enterprise software revenue base.

Income and Gross Profit Highlights:

	4Q26 in $'000s		4Q25 in $'000s		PCP Change '%'	
Product	**Revenue**	**Gross Profit**	**Revenue**	**Gross Profit**	**Revenue**	**Gross Profit**
Spacetalk Mobile	2,098	1,035	2,058	1,057	2%	(2%)
Apps	335	274	573	462	(42%)	(41%)
Schools	187	168	642	600	(71%)	(72%)
Recurring sub-total	**2,620**	**1,477**	**3,273**	**2,119**	**(20%)**	**(30%)**
Devices	1,523	318	1,686	603	(10%)	(47%)
Corporate	29	29	13	13	123%	123%
TOTAL	**4,172**	**1,824**	**4,972**	**2,735**	**(16%)**	**(33%)**
Gross Profit Margin		**44%**		**55%**		

Key movements

- **Revenue** declined by (16%) year-on-year to $4.2m in 4QFY26 (4QFY25: $5.0m), primarily due to lower device revenue and the run-off legacy of Schools revenue, partially offset by growth in Spacetalk Mobile.
- **Device revenue** decreased (10%) year-on-year to $1.5m in 4QFY26 (4QFY25: $1.7m) and (28%) to $6.2m for FY26 (FY25: $8.6m, including Seniors). Device unit sales grew strongly, up 47% to 13.1k units in 4QFY26 (4QFY25: 8.9k). Despite this volume growth, device revenue declined due to a shift in product mix towards the lower-priced device variant, as well as higher discounting activity during the quarter.
- **Spacetalk Mobile** revenue increased 2% year-on-year to $2.1m in 4QFY26 (4QFY25: $2.1m), driven by continued growth in the subscriber base. Mobile gross profit was $1.1m for the quarter.
- **Apps revenue** declined by (42%) year-on-year to $335k in 4QFY26 (4QFY25: $573k). This is expected as to this point as a vast majority of smartwatch customers in Australia currently receive the app for free if they have a Spcetalk Mobile SIM card and subscription in their watch. However, App monthly and daily user engagement remains

strong, and revenue is expected to increase once new tiered subscription pricing, and features are released in Q2FY27.

Beyond the existing B2C base, the app presents a growing B2B opportunity through telco (and other large subscriber base businesses) partnerships, including the Vodafone Australia deal and a pipeline of similar agreements. The outlook for app revenue is further supported by further platform development scheduled for release in 2QFY27: tiered app pricing, enabling customer segmentation and differentiated value capture, and the launch of enhanced safety features, which will expand monetisation opportunities across both the B2C and B2B user base.

- **Schools revenue** declined by (71%) year-on-year to $187k in 4QFY26 (4QFY25: $642k), in line with expectations, as the business continues to manage this legacy software offering in run-off mode while state governments progressively switch to fuller featured schools and student management system providers.

Cashflow from Operating & Investing Activities

- **Operating Cash Flow**: Net cash used in operating activities was $4.4m in 4QFY26, compared to an outflow of $0.4m in 4QFY25. Receipts from customers were $3.2m (4QFY25: $5.3m), while payments reflected planned investment to support the transition to software-led business model.
- **Investing activities** increased to $1.5m in 4QFY26 (4QFY25: $0.5m), reflecting continued investment in the Company's platform, including development required to support the TPG Telecom launch.

Financing Activities:

- During the quarter, the Company completed its $6.0m placement. Tranche 1 shares of 15,694,712 (~$942k) were issued on 9 April 2026 and Tranche 2 shares of 84,535,288 (~$5,072k) were issued following shareholder approval at the General Meeting held on 20 May 2026. Gross proceeds of $6.0m, less transaction costs of approximately $0.4m paid during the quarter, resulted in net financing inflows of $5.6m in 4QFY26.

Related Party Payments

Payments to related parties and their associates during the quarter amounted to $140k, and this related to aggregate remuneration paid to all Directors of the company for the period.

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	**Quarter ended ("current quarter")**
93 091 351 530	June 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	3,162	18,203
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(1,668)	(8,932)
	(c) advertising and marketing	(758)	(3,555)
	(d) leased assets	(54)	(161)
	(e) staff costs	(2,025)	(6,334)
	(f) administration and corporate costs	(3,059)	(7,479)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	(227)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	877
1.8	Other	-	-
1.9	**Net cash from / (used in) operating activities**	**(4,401)**	**(7,607)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant, and equipment	(7)	(54)
	(d) investments	-	-
	(e) intellectual property	(1,465)	(4,462)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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**	**(1,472)**	**(4,516)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	6,014	7,519
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	(381)	(849)
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**	**5,633**	**11,850**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,112	1,149
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,401)	(7,607)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,472)	(4,516)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,633	11,850
4.5	Effect of movement in exchange rates on cash held	7	3
4.6	**Cash and cash equivalents at end of period**	**879**	**879**

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	718	951
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)**	**879**	**1,112**

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*	140
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** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**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

Debt instrument: $0.5m

- Interest rate: 1%
- Maturity date: 30 October 2026

Covenants:
The lender granted a waiver of financial covenants for 4QFY26.

- 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)	(4,494)
8.2	Cash and cash equivalents at quarter end (item 4.6)	879
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	879
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.2

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.

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: No.

In the short term, the Company expects a deviation from current operating cash flow levels because of the following:

Optimised initiatives to deliver annualised cash cost savings of $3.5m: The Company undertook 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 resulted in identified optimisation initiatives expected to deliver annualised cash cost savings of approximately $3.5m.

Impact of Vodafone software agreement: The software agreement with Vodafone materially broadens the Company's revenue model. Historically, revenue was principally generated through device sales, mobile connectivity and direct software subscriptions. Going forward, the Company will benefit from multiple layers of recurring revenue that increase as customer adoption and engagement grow, being software licensing revenue, differentiated premium software subscriptions as well as in-app engagement attributed revenue.

Collectively, these revenue streams materially increase the proportion of higher-quality recurring software and connectivity revenue within the business while reducing reliance on hardware sales over time.

Improved wholesale economics under the TPG Telecom MVNO agreement: The new wholesale network agreement provides improved wholesale economics relative to the previous arrangement, together with greater commercial flexibility to develop targeted customer offers on TPG's Mobile Digital Network.

Over the medium to long term, operating cash flows are expected to improve because of the following key factors:

Scalable Telco SaaS Model: Post the signing of the Vodafone software deal, the Company is progressing constructive discussions with multiple global large telecommunications providers regarding potential partnerships to distribute Spacetalk's family safety platform to their customer bases. These discussions reflect strong strategic alignment and growing market interest in Spacetalk's software-led, hardware-enabled SaaS model. Successful execution of one or more partnerships would represent a significant milestone in the Company's transformation, enabling Spacetalk to embed its platform within telco ecosystems, accelerate subscriber growth, and materially expand its addressable market.

New Products: Spacetalk is advancing the development of next-generation kids and seniors hardware devices. The new kids devices are expected to be lower cost to manufacture, supporting improved operating margins and profitability, while the seniors device, Sibyl, leverages predictive analytics powered by AI algorithms from UNSW and NeuRA to identify early health risks. Sibyl, a device-agnostic solution targeting the "sandwich generation", offers 24/7 fall prediction and monitoring, emergency alerts, and predictive health insights, presenting a compelling value proposition for care providers, insurers, and consumers. These innovations are expected to materially expand Spacetalk's addressable market across B2C and B2B channels, with a pilot of Sibyl scheduled for 2HFY27.

TPG Telecom MVNO agreement facilitates better commercial flexibility: Under the previous arrangement, the Company operated with a constrained set of plan options. The TPG platform removes that constraint. By offering plans across a wider range of price points, Spacetalk can better segment its customers, and capture demand that would otherwise have been lost. The net effect is a larger addressable subscriber base and greater total revenue per cohort than a one-size-fits-all plan structure would permit.

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: Yes. The Company has taken, and proposes to take, the following steps:

Capital raise: The Company is actively engaging with interested investors and major shareholders to secure additional capital in support of its strategic objectives. The Directors consider the Company to have reasonable prospects of successfully raising the required funding. Proceeds are intended to support continued innovation across the Spacetalk platform, strengthen global market reach, and support demand for its devices, underpinning sustainable growth and long-term shareholder value.

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: Yes.

The Company remains confident in its ability to sustain operations and deliver on its strategic objectives, supported by several key drivers:

New Products: Spacetalk is advancing its next-generation kids and seniors' devices. The new kids devices are expected to be lower cost to produce, improving margins, while Sibyl, the seniors AI device, offers 24/7 fall prediction, emergency alerts, and predictive health insights. Sibyl targets the "sandwich generation" and is expected to expand the addressable market across B2C and B2B segments, with a pilot scheduled for 2HFY27.

Active Subscriber Base Growth: Spacetalk active mobile subscribers grew by 18% year-on-year ARR, with 56% of customers on annual plans. This provides a growing opportunity to further monetise this base with new products to create new revenue streams.

Operational and Financial Strength: The Company maintains disciplined cost management with the flexibility to scale expenses if needed, as demonstrated by the recently completed review of its cost base which resulted in the identification of $3.5m in savings. Current inventory levels support positive operating cash flow, and the strategic transition to a SaaS-led model further reduces working capital requirements, reinforcing the Company's ability to sustain operations and drive long-term growth.

Scalable Telco SaaS Model: Post the TPG deal, the Company is having ongoing constructive discussions with multiple large global telecommunications providers. If successfully concluded, these deals will represent a major milestone in Spacetalk's strategic transition from a hardware-enabled SaaS provider. These potential partnerships would embed Spacetalk's family safety platform directly within telco ecosystems, providing access to a broader customer base and accelerating the scale and reach of our subscription offering.

Strategic Outlook: Spacetalk's combination of innovative product launches, recurring revenue growth, and scalable partnerships provides strong confidence in the Company's ability to continue operations and achieve its strategic objectives.

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.

31 July 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.