



ASX Announcement

MGM Wireless Limited (ASX:MWR)

31 July 2019

## **FIRST UK SPACETALK RETAIL AGREEMENT SIGNED**

### **Highlights:**

- **Sales Agreement signed with UK's leading TV shopping retailer, QVC UK**
- **QVC UK to provide extensive TV advertising and marketing support**
- **Strong platform will generate awareness specifically to SPACETALK target market**
- **Sales to commence in August 2019 during school holidays and back to school period**
- **Details of further UK retail agreements to be announced in coming weeks**

**31 July 2019** –Technology company **MGM Wireless Limited (ASX:MWR)** ('MGM' or 'the Company') today announced it has signed its first UK retail SPACETALK Sales Agreement with leading TV and multi-channel retailer QVC UK.

With more than \$600 million in revenues, QVC will provide SPACETALK with a TV, multi-platform, multi-network shopping and retail experience and an audience of more than 1.1 million customers across the UK and Ireland. A significant demographic of QVC customers are women aged between 30 and 55 – SPACETALK's target customer demographic, and 95% of sales come from repeat customers, who buy, on average, 24 products per year.

This agreement follows the successful online sales and customer feedback generated by the Company's UK SPACETALK website from May 3, 2019. MGM's experience in the UK further validates the emergence of a new wearable mobile phone product category, specially designed for children aged between 5 and 12, of which SPACETALK is the market leader.

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This development advances MGM's international growth strategy and marks the first agreement with a major UK/European retailer – also the first outside Australia and New Zealand. The UK market of 66 million people represents more than three times the size of Australia and New Zealand.

**MGM Wireless CEO Mark Fortunatow said:** “This is a major milestone for SPACETALK. To have such a demanding, high quality and trusted retailer get right behind SPACETALK at this level is just amazing. Importantly, QVC UK – at its own expense – will exclusively promote SPACETALK on its TV in 30- and 45-minute shows. This provides a tremendous opportunity to educate the market and drive awareness of SPACETALK. At any point in time QVC has in excess of 100,000 viewers, and often many more. This exposure to QVC's 12.5 million customer contacts with 30 to 45 minutes of exclusive and dedicated TV time is a major coup for our Company.

“Sales will commence in August during the school holidays when parents will be seeking safe, secure ways to keep in touch with their children before the UK school year begins.

“There's no doubt that a new children's wearable and mobile category is emerging. Children's smart watch and mobile phone devices are a safe and responsible way for families to stay connected without exposure to the dangers of open internet, social media, bullying and the many other distractions associated with smartphones.

“Leading retailers and mobile network operators see an opportunity. They know SPACETALK is providing the perfect, high quality wearable device that will enable them to build a business and gain new customers in this new, fast-growing product category.

“According to Gartner, the world's leading research and advisory company for the technology sector, global spending on wearable devices is forecast to reach USD\$42 billion in 2019.<sup>1</sup> This supports MGM Wireless' view that children's wearable mobile phone devices promise to be a high growth sector during the next decade.

“We are seeing strong interest from UK retailers and expect to announce further retail agreements in the near future.”

#### **ABOUT MGM Wireless**

MGM Wireless Limited is a technology company designing, developing and commercialising a smartphone + watch wearable device for children, and software for school communication and student absence management. The Company's AllMyTribe division has developed a children's all-in-one smartphone, watch and GPS device

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<sup>1</sup> Gartner.com, Gartner Says Worldwide Wearable Device Sales to Grow 26 Percent in 2019, November 2018.



called SPACETALK, which allows two-way 3G phone calls and SMS messaging to a parent-controlled list of contacts. Other features include GPS tracking to alert parents whenever children leave designated safe spaces, such as school or the home.

Importantly – a key safety feature of SPACETALK is that it doesn't give children access to social media, apps, open internet, YouTube or other such services that can be dangerous to young children. In addition, during school hours, the device can operate in 'School Mode' whereby all communication features are disabled to ensure children won't be distracted.

MGM Wireless built its track record with school communication solutions after discovering in 2002 the application of SMS communication in schools. The Company went on to create the world's first SMS based Automated Student Absence Notification Solution and many other innovations since then. It is recognised as a global leader and pioneer in socially responsible and technology-enabled school communication.

MGM Wireless products include student absence notifications 'messageyou', absence analytics software 'Watchlists', school news and messaging app 'School Star', a content management and messaging platform for mobile school communication called Outreach+, and student attendance management solution 'RollMarker'.

Used by over 1400 schools and 1.7 million parents, the Company's school communication solutions empower schools to effectively communicate and engage parents and caregivers through SMS, mobile in-app and other means to improve student attendance and safety, help schools reduce operating costs and increase parent engagement. To learn more please visit: [www.mgmwireless.com](http://www.mgmwireless.com)

**-Ends-**

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