



ASX Announcement

MGM Wireless Limited (ASX:MWR)

13 March 2020

CEO shareholding change

13 March 2020 – Technology company **MGM Wireless Limited (ASX: MWR)** ('MGM' or 'the Company') today advised that its co-founder and CEO, Mark Fortunatow, has sold 2,095,000 MGM shares, as detailed in the attached Appendix 3Y. The funds from the sale of the shares were used to satisfy a margin call and further pay down the loan, which was primarily used to exercise MGM options.

Mr Fortunatow continues to be the Company's largest shareholder, with a total of 17,433,730 MGM shares. Of this, more than 12 million shares are unencumbered.

The Company continues to maintain leadership in the western world's children's smartwatch market, with strong sales and new products being prepared for launch and in advanced stages of development. The Company reported record revenue of \$7.6 million for the half-year ended 31 December 2019, up 87% on the previous corresponding period, and EBITDA of \$0.45 million. An agreement with Kogan.com in March 2020 has further extended the Company's distribution network, which includes 777 retail stores in Australia and New Zealand, 100 retail kiosks in the UK, and online retail channels.

Mr Fortunatow said: "While this is a personally devastating outcome for me, it has taken place in a complex market environment that includes an impending pandemic.

"In light of this, MGM is moving quickly in a responsible manner to adjust its costs and reduce risk in every aspect of the business.

"As a founder of MGM in 2001, I have sold virtually no shares in MGM over the past 20 years. I've participated in all capital raisings and personally loaned money to the Company in difficult times during the GFC.



"MGM has significant opportunities ahead and our focus is on laying the groundwork for those opportunities to succeed.

"The Company is well funded and growing rapidly, and I am proud to say we are leaders in the markets we serve."

-Ends-

Authorised by:

MGM Wireless' Board

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity: MGM WIRELESS LTD
ABN: 93 091 351 530

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Mark Fortunatow
Date of last notice	18 December 2019

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Indirect
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	(a) Mark Fortunatow – The I-Bank A/C; (b) Paula Fortunatow as trustee for Fortunatow Family Trust – beneficiary; (c) Mark Fortunatow & Paula Fortunatow as trustee for Fortunatow Family Superannuation Account – trustee and beneficiary; (d) Paula Fortunatow as trustee for The AM & JM Trust – trustee and beneficiary;

+ See chapter 19 for defined terms.

Appendix 3Y
Change of Director's Interest Notice

	<p>(e) I-Holdings Pty Ltd as trustee for Fortunatow Family Superannuation Account;</p> <p>(f) Paula Fortunatow as trustee for The AM & JM Trust - trustee and beneficiary;</p> <p>(g) Paula Fortunatow as trustee for The AM & JM Trust - trustee and beneficiary;</p> <p>(h) Paula Fortunatow as trustee for The AM & JM Trust - trustee and beneficiary.</p> <p>(i) Nominee holding;</p> <p>(j) Paula Fortunatow as trustee for The AM & JM Trust - trustee and beneficiary;</p> <p>(k) Paula Fortunatow as trustee for The AM & JM Trust - trustee and beneficiary</p> <p>(l) Paula Fortunatow as trustee for The AM & JM Trust - trustee and beneficiary</p>
Date of change	9 and 11 March 2020
No. of securities held prior to change	<p>(a) 517,310;</p> <p>(b) 8,807,780;</p> <p>(c) 2,009,930;</p> <p>(d) 1,700,000;</p> <p>(e) 3,693,710;</p> <p>(f) 1,300,000;</p> <p>(g) 1,500,000;</p> <p>(h) 1,500,000;</p> <p>(i) 2,000,000;</p> <p>(j) 2,500,000;</p> <p>(k) 1,250,000;</p> <p>(l) 1,250,000.</p>

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Class	<ul style="list-style-type: none"> (a) Ordinary shares; (b) Ordinary shares (c) Ordinary shares; (d) Options exercisable at \$0.14, expiring on 30 April 2020; (e) Ordinary shares; (f) Options exercisable at \$0.60, expiring on 30 April 2022; (g) Options exercisable at \$0.80, expiring on 30 April 2022; (h) Options exercisable at \$1.00, expiring on 30 April 2022; (i) Ordinary shares; (j) Ordinary shares (k) Options exercisable at \$0.70 expiring 30 April 2023; (l) Options exercisable at \$0.90 expiring 30 April 2023.
Number acquired	Nil
Number disposed	9 March 1,580,000 ordinary shares @ \$0.104835 ea 11 March 515,000 ordinary shares @ \$0.115631 ea
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	As above
No. of securities held after change	<ul style="list-style-type: none"> (a) 517,310; (b) 6,827,780; (c) 2,009,930; (d) 1,700,000; (e) 3,693,710; (f) 1,300,000; (g) 1,500,000; (h) 1,500,000; (i) 4,385,000; (j) Nil; (k) 1,250,000; (l) 1,250,000.
Nature of change <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small>	On-market trade

Part 2 – Change of director's interests in contracts

+ See chapter 19 for defined terms.

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	
Interest acquired	
Interest disposed	
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
Interest after change	

Part 3 – +Closed period

+ See chapter 19 for defined terms.

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

13 March 2020

⁺ See chapter 19 for defined terms.