



ASX Announcement

MGM Wireless Limited (ASX:MWR)

5 June 2020

SHARE PURCHASE PLAN TO RAISE UP TO \$1.5M TO GROW SPACETALK BUSINESS

Highlights

- Share Purchase Plan (SPP) for eligible shareholders to apply for up to \$30,000 of New Shares at an issue price of \$0.1075 (10.75 cents) per share.
- The Company continues to progress through an authorization and execution process to finalise a significant new sales agreement with an update expected in the coming days.
- Capital raised will be used to accelerate the growth of MGM's SPACETALK business.

Leading technology communications company, **MGM Wireless Limited (ASX:MWR)** ("MGM" or "the Company") is pleased to announce that the Company will undertake a Share Purchase Plan (SPP), that will offer eligible shareholders the right to apply for up to \$30,000 of New Shares at an issue price of \$0.1075 (10.75 cents) per share (Issue Price). The Issue Price represents:

- a 23.2% discount to the last traded price of MGM shares on 22 May 2020, being the closing price before the Company's shares were placed in a trading halt and subsequent suspension at the request of the Company; and
- a 10.0% discount to the volume weighted average market price of MGM shares over the last five days on which sales of shares were recorded on ASX immediately prior to the announcement of the SPP.

Eligible shareholders on MGM's register at 5.00pm (ACST) on 4 June 2020, being the record date, are entitled to participate in the SPP.

The SPP is targeting to raise \$1.5 million however if demand for the SPP exceeds \$1.5 million, the Company reserves the right to close the SPP early and scale back applications or elect to increase the amount raised under the SPP.

The Company's SPACETALK children's mobile phone watch is enjoying phenomenal success since it was launched from a single online portal in 2017. Sales soared online and were exponentially boosted by major bricks-and-mortar retailers JB Hi-Fi, The Good Guys, Officeworks, among others, and e-commerce stores Kogan, Belong and Qantas Rewards. SPACETALK's popularity in Australia rapidly spread to New Zealand via telco Spark and retailers JB Hi-Fi, Harvey Norman, Officeworks and Noel Leeming; and to the UK via Sky Mobile and retailer Currys Carphone Warehouse (UK).

MGM WIRELESS LIMITED (ASX:MWR)

ABN 93 091 351 530 | Phone (08) 8104 9555

The Parks, Suite 13, 154 Fullarton Road, Rose Park, South Australia, 5067 Australia

mgmwireless.com



With revenues increasing 87 percent from the previous period to achieve record revenues for H1 2020, the Company aims to scale-up growth and progress towards potential Company changing deals for SPACETALK and new product releases.

In June 2020 the Company will be releasing a new model watch specifically for seniors, as well as a new model children's watch in time for Christmas sales. Both are high quality, carrier grade devices designed for international markets. Both are 4G, have improved battery performance, waterproofing and many other exciting and breakthrough new features. Both will be very attractive to International Mobile Network Operators and for expanded distribution. Our seniors watch revenue growth may match or exceed the revenue growth the Company experienced with SPACETALK, creating the opportunity to double the rate of the Company's overall revenue growth and further solidify SPACETALK's position as the leader in the fast growing connected family wearables market.

With the development of the new wearable device for seniors, a new device for children, , extensive existing distribution coupled with strong and growing recurring revenue generated through our AllMyTribe App and MGM's Communication Software Suite for schools, the Company is on the cusp of experiencing a significant growth period.

COVID-19 has impacted the MGM share price and capital markets in general. Very early on in the pandemic, the Company implemented cost saving measures to ensure we maintain a strong cash and financial position whilst aggressively continuing our growth activities, releasing new products to take advantage of the tremendous opportunities in the rapidly growing family wearables market. The Company believes that a Share Purchase Plan, whereby our existing and loyal shareholders are given priority access to invest in the Company's next growth phase at current share prices is appropriate.

Capital raised through the SPP will be used to build up inventory of our new seniors device to meet the anticipated demand, accelerate development of our next SPACETALK children's device and increase marketing investments to further accelerate and scale up MGM's SPACETALK business.

MGM Board members strongly encourage eligible shareholders to consider this investment opportunity.

An indicative timetable is provided for the SPP below. The SPP is currently scheduled to open on 12 June 2020 however the timetable is subject to change. Full details of the SPP will be provided to eligible shareholders in documentation to be dispatched on 12 June 2020.

Event	Date
Share Purchase Plan record date	4 June 2020
Announcement of Share Purchase Plan	5 June 2020
Dispatch of SPP offer documentation/opening date	12 June 2020
Closing date of SPP	26 June 2020
Issue date for new shares	7 July 2020
New shares commence trading on ASX	8 July 2020

This timetable is indicative only and subject to change.



Commenting on the SPP, MGM Wireless CEO, Mark Fortunatow said: “The SPP is an attractive opportunity reserved for our existing and loyal shareholders to increase their holdings prior to the Company entering a significant next stage of scale-up and growth, and at a very attractive discount to an already COVID-19 affected share price. With strong distribution of SPACETALK across Australia, New Zealand and the UK and the impending release of a new seniors watch, the capital raised will be used to further grow the SPACETALK business, as we near finalization of additional distribution opportunities with major telcos. I strongly encourage shareholders to participate.”

This announcement has been authorized by the Board of MGM Wireless Limited

For more information, please contact:

Investor Enquiries:

Jane Morgan

jm@janemorganmanagement.com.au

M: +61 405 555 6198

Media Enquiries

Megan Coleman – MGM Wireless Marketing and E-Commerce Sales Manager

mcoleman@spacetalkwatch.com

M: +61 407 215 292

About MGM Wireless

MGM Wireless Limited is a technology company that designs and develops breakthrough technology, software and wearable devices that enrich connections between families, schools and society.

The Company is recognised as a global leader and pioneer in socially responsible technology for schools and families. Everything we do is built on our unshakeable desire for families to feel safe and secure so that they can live with freedom, independence and joy.

About SPACETALK

SPACETALK is a mobile phone built into a smartwatch designed just for kids from the age of 5 to 12. SPACETALK allows two-way phone calls and SMS messaging for children to a parent-controlled list of contacts and GPS tracking alerts parents whenever children leave designated safe spaces, such as school or the home.



SPACETALK doesn't give children access to social media, apps, open internet or other such services that can be dangerous to young children. The subscription-based 'AllMyTribe' mobile app enables parents to manage SPACETALK devices.

About MGM's School Communication

MGM created the world's first SMS based Automated Student Absence Notification Solution for schools and is recognised as a global leader in socially responsible and technology-enabled school communication. Over 1,200 schools and 1.7 million parents use MGM Wireless products including 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'.