ASX Market Announcements
ASX Limited
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ASX Release
MGM Wireless Limited (ASX:MWR)

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TELSTRA SHOP FRANCHISES TO SELL SPACETALK CHILDREN'S SMARTPHONE WATCH

Highlights

- **World's most secure children's smartphone watch commences Bricks and Mortar Sales Distribution**
- **Telstra Shop Franchises signed to sell SPACETALK**
- **Expert new staff hired to support bricks and mortar sales strategy**
- **First Australian designed and developed children's Smartphone Watch to be sold by one of Australia's leading mobile retailers**

18 April 2018 – Technology company **MGM Wireless Limited (ASX:MWR)** ('MGM' or 'the Company') today announced the achievement of a significant milestone in the development of its new Family wearables division with the signing of 2 Telstra Franchises to retail SPACETALK.

SPACETALK is a revolutionary all-in-one smartphone, watch and GPS wearable device that keeps families connected and assists in keeping children safe.

Conceived, designed and developed by MGM Wireless, SPACETALK will now also become the first all-in-one kids' smartphone watch to be sold by a leading retailer in Australia.

The bricks and mortar rollout follows strong and growing on-line sales from the Company's www.allmytribe.com website. Sales for the month of March 2018 reached 82% of the pre-Christmas sales levels achieved in the month of December 2017.

New Company Appointment

MGM Wireless CEO and Executive Chairman Mr Mark Fortunatow said that the Company had expanded its wearables executive management team with the hire of Ms Mandy Lee, a highly experienced and well-known consumer electronics and mobile phone retail expert, to support the first Telstra Shop rollout, and to manage the strong interest from other leading Australian electronics retailers and mobile network operators.

Ms Lee has been appointed as National Sales Manager for SPACETALK. Ms Lee's previous experience includes senior sales roles for Vita Group (Telstra Shop Franchisee with 100+ stores), JB HiFi, Microsoft, Blackberry, Motorola and others.

Ms Lee joins AllMyTribe's General Manager Paul Cooper, who has been with the Company now for 9 months. Before joining MGM Wireless, Mr Cooper had over 15 years' experience in senior positions with Microsoft (XBOX, Surface and Mobile); and worked with Nokia Mobile and Networks (Finland and China) in the roles of Global Supply Chain Management and Aftersales Customer Service.

Bricks and Mortar Distribution

"Our SPACETALK kids smartphone, watch and GPS tracker is a new type of device that encompasses several product categories, namely mobile phone, wearables, accessories and mobile accessories," Mr Fortunatow said. "Because it's such a new and novel device, there's a lot to learn about how to best retail the product. We've decided to start our bricks and mortar sales channel with 2 Telstra Franchisee Groups. Working with these retailers, we'll learn how to best achieve pull through sales, what type of point-of-sale collateral to develop, design the right in-store staff training programs and roll out the right marketing support programs.

"With that knowledge under our belts, we'll then roll out more bricks and mortar locations and retailers."

The locations of the Telstra Shops were selected based on the strong on-line sales achieved by the Company in surrounding areas.

"The agreements with the Telstra Shop Franchisee Groups are on industry-standard wholesale commercial terms and margins, except that after the first 6 weeks, if the Franchisee chooses not to continue selling the watches, the Company will refund the cost of any unsold inventory," Mr Fortunatow said. "At this stage, it would be premature to forecast the likely sales volumes."

Next Production Run

With inventory levels running low, the contract for a second production run of SPACETALK watches is expected to be finalised within the week.

“Feedback from our customers continues to be very positive, with many positive unsolicited reviews on social media,” Mr Fortunatow said. “Customers especially comment on the high quality and excellent technical performance of the device.

“Interestingly, parents say they love the ability to keep in contact with their children by voice call and SMS, on a device that doesn’t give their children access to social media apps, You Tube and other Internet content that might be unsafe or unsuitable for children.”

Mr Fortunatow said that a very important feature of SPACETALK and the AllMyTribe IoT Ecosystem relates to the strong security and privacy features that were built into the design right from the start.

SPACETALK and the accompanying AllMyTribe App ecosystem have been independently verified by leading international cyber security experts who concluded that the smartphone watch cannot be hacked, and that the entire system has world’s best practice security and privacy features built in. It will also meet the upcoming European GDPR regulations. All data is hosted in Australia in highly secure data centres and protected by Australian Privacy and Data Security legislation, so security is assured.

“Our proven safety has been a critical factor for every bricks and mortar retailer considering selling SPACETALK,” Mr Fortunatow said. “There are some Chinese manufacturers trying to enter this market but their devices all have reported security issues.

“Throughout our 17-year history of working with schools, MGM Wireless has gained a very deep understanding of the importance of data security and privacy requirements that any technology associated with children must have.”

Co-Founder, Chairman & CEO Commentary

MGM Wireless Co-Founder, Chairman & CEO Mark Fortunatow:

“It’s an Australian first. Parents of young children will now be able to go to participating Telstra Shops and see, feel and try out SPACETALK for themselves. No longer will they be restricted to on-line sales only.

SPACETALK is considered by industry experts as the best kids’ smartphone watch available globally. It’s great to be able to have it available to parents at participating Telstra Shops.

This is the first Aussie designed and developed children’s watch to be sold by one of Australia’s leading mobile retailers.

SPACETALK is a testament to Australian innovation. To have an Aussie designed and developed children’s smartphone watch – arguably the best in the world – available in participating Telstra shops is just fantastic.”

Ends

About SPACETALK



SPACETALK is an all-in-one children's Smartphone, Watch and GPS Tracker that allows parents and children to remain in constant contact without exposing their kids to the dangers of social media apps, such as Facebook, Instagram, YouTube, Google and unrestricted access to the Internet.

It is the first of its kind to be wholly developed in Australia and one of the first worldwide. The child can make or receive calls from a list of contacts parents choose in the AllMyTribe® smartphone app. If the child needs help, a special SOS alert function can be customised to call parents and other guardians. Parents can see their child's location on their smartphone and the AllMyTribe App features alerts so whenever a child leaves designated safe spaces such as school or home, parents are notified. A step counter tracks the wearer's physical activity.

SPACETALK has been independently verified by leading international cyber security experts as "unhackable", and has world's best practice security and privacy features built in. It will also meet the upcoming European GDPR regulations. All data is hosted in Australia in highly secure data centres and protected by Australian Privacy and Data Security legislation, so security is assured.

SPACETALK Media Coverage

The Company continues to receive very extensive and favorable media coverage, with Channel 9 News, Channel 7 News, Channel 9 Morning Show, Radio 3AW, Radio 2UE and other traditional media coverage since launch.

ABOUT MGM

MGM Wireless Limited is a technology company designing, developing and commercialising Internet of Things (IoT) devices for children, and software for school communication and student absence management. The Company's AllMyTribe division has developed a wearable device called SPACETALK, which allows two-way 3G communication and GPS tracking, alerting parents whenever children leave designated safe spaces, such as school or the home.

MGM Wireless built its track record with school communication solutions after creating the world's first SMS based Automated Student Absence Notification Solution. It is recognised as a global leader and pioneer in socially responsible and technology-enabled school communications.

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 1100 schools and 1.6 million parents, the Company's multichannel school communication solutions empower schools to effectively communicate to 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

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