MGM Wireless Ltd (ASX:MWR)



Finance News Network
Investor Presentation
10 April 2018

Parent Controlled Smartwatch, Phone + GPS

Children 5-12 years of age

3G Phone (2-way)

SMS Messaging

Safe Contact List

Location on Demand









Key Features



- 3G Phone (2-way)
- SMS Messaging
- Safe Contact List
- School Mode
- Location on Demand
- Safe Places
- SOS Alerts
- High Security
- Up to 24 hr Battery
- Reward Stars
- Water Resistant
- Stop Watch
- Weather
- Reminder Alarms
- Step Counter





Opportunity
A New Market

New business … unique product to retail; new target market; proven to deliver strong incremental sales

'30% of all Smartwatch sales will be children aged 5-13'

'Smartwatches are on pace to achieve the greatest revenue potential among all wearables through 2021'

'Pure smartwatch sales forecasted to grow from 2017: $9.3B to $17.4B (2017-2121)'

Gartner®

Gartner Research 2017

The Spacetalk Difference



"No access to apps, games, social media and internet was a massive plus and the reason why we purchased Spacetalk. Reception quality with calls is excellent and location tracking is great!"

Brooke (Facebook Review)

	SPACETALK	OTHERS
3G Mobile High Band	✓	✓
3G Mobile Low Band	✓	✗
Reliable mobile coverage across Australia	✓	✗
Complies with Australian telecommunications network requirements	✓	✗
Tested and certified to Australian standards and safe for kids	✓ (supplier number E6254)	✗
Kid's data stored in	Australia	Overseas (typically China)
Data secure and stored in	Australia	✗
Data protected by Australian privacy and security laws	✓	✗
Apps developed in	Australia	Overseas (typically China)

Their Data, Safe and Secure

SPACETALK is the most secure in the market:

- All data is hosted in Australia and the UK
- Encrypted data traffic between AllMyTribe app, servers and SPACETALK
- Two-factor authentication used in pairing process
- Apps, Server software and firmware developed in Australia

Our apps, servers and firmware are all developed and hosted locally. Our proprietary ecosystem has passed all European (GDPR compliant) and Australian standards for privacy and data security. SPACETALK also complies with mandatory electrical safety and radio emissions standards.



Australian and NZ Bricks & Mortar Distribution

JB HI-FI

Spark









Partner Advertising Built















Strong Marketing Support









UK Expansion Starting this Quarter (Q4FY19)



- UK Market 3x Larger than Australia
- E-commerce launch starts this quarter







Distribution
Australia, New Zealand and UK

SPACETALK
Simply Safer Phones for Kids

SPACETALK SALES
CUMULATIVE



Corporate Overview

SPACETALK
Simply Safer Phones for Kids

Market capitalisation
$39.9m

Shares on issue
12.2M

Cash
$2.4M*

Debt
$1M

Listed
2003

Founded
2001

ASX Code
MWR

Listing price
$N/A

Share price
$3.26

Earnings per share
$(11.71)*

* December 31 2018

Top Shareholders

14.12%	3.54%	2.50%	2.26%
Fortunatow Family (Founder)	Hurd Family (Founder Estate – deceased)	Gleneagle Securities Pty Ltd	Yavern Creek Holdings



Both Businesses have Recurring Revenue Models

SPACETALK
Simply Safer Phones for Kids



Wearables

Monthly $5.99 App Fee (net $3.60)

Recurring App Monthly Revenue - $46K/month*



Schools

Annual Software License Fee

$ 1.50m (Forecast FY19)

+ SMS $ 640K

forecast revenue for FY19

*ASX Release – JAN 19

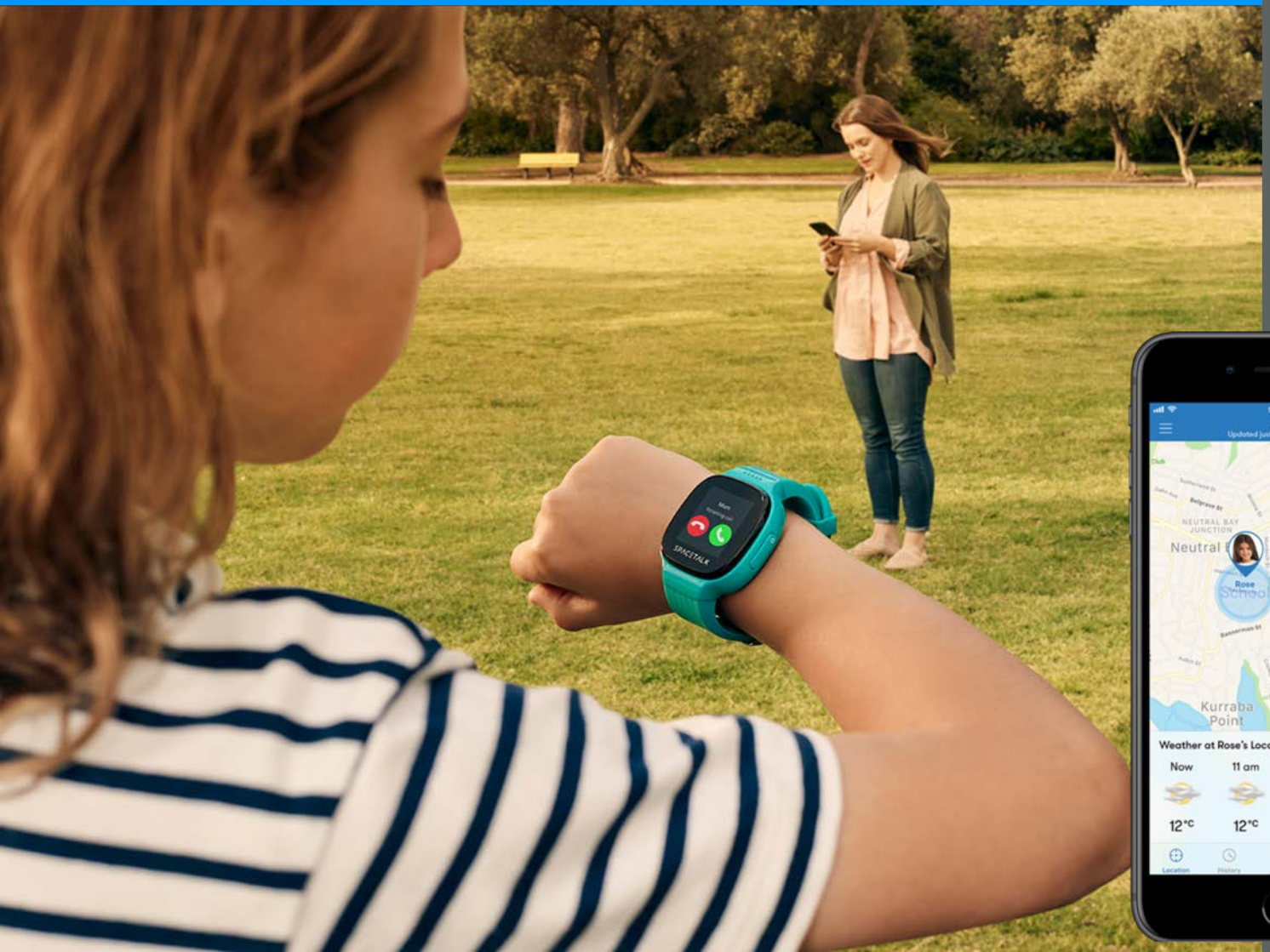
1H FY19 Half Year Results

- Record Revenue $4.07m, up 158%
- SPACETALK sales up 1,887% from $128K to $2.4m
- Recurring revenue from SPACETALK monthly app subscriptions up 3,631% to $98K
- Record Gross Profit of $2.95m, up 100%
- Gross Profit Margin 72%
- Underlying EBITDA $550K
- Over 6,200 monthly app subscribers as at Dec 31
- Monthly Recurring Revenue Run Rate $46K/month

RECORD PERFORMANCE

SPACETALK

Simply Safer Phones for Kids





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SPACETALK

Simply Safer Phones for Kids

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