ASX Announcement
MGM Wireless Limited (ASX:MWR)
10 May 2019

SPACETALK MARKS FIRST SALES IN THE UK MARKET

Highlights:

- First sales recorded in the United Kingdom – ahead of official SPACETALK launch
- UK rollout to mirror successful Australian and New Zealand launch strategy
- UK Bricks and Mortar negotiations advanced

MGM Wireless Limited (ASX:MWR) ('MGM' or 'the Company') today announces that it has recorded the first sales of its revolutionary Australian-designed smartwatch, **SPACETALK,** in the United Kingdom ('**UK**'), ahead of the official launch date which is Monday 13 May.



The launch strategy will follow the successful marketing roadmap used in Australia and New Zealand where the family-friendly watch, GPS locator and mobile phone is the undisputed market leader.

First sales in the UK came via the Company's UK sales website, www.spacetalkwatch.co.uk.

SPACETALK has established a four-person sales and servicing division based outside London. A fulfillment centre has been established, allowing for direct supply from in-country inventory.

SPACETALK will enter the UK market with its updated v1.1 model which is specifically tuned to UK mobile bandwidth and UK conditions.

Just as in Australia, SPACETALK will initially sell independently through online channels while continuing negotiations with High Street retailers. The MGM Wireless group was greatly encouraged by showcasing SPACETALK at Mobile World Congress in Barcelona this February and has been fine-tuning the launch strategy ever since.

MGM Wireless chief executive and chairman, Mr Mark Fortunatow, said the launch was a much-anticipated culmination of investment in inventory, sales support and after-sales service utilising in-country back up

"We have planned this launch down to the last detail, albeit almost a mirror image of the Australian launch," Mr Fortunatow said. "The full resources of MGM Wireless, the SPACETALK brand and our experienced sales team, have been deployed to make this go as smoothly as possible."

"We are hitting the ground running. SPACETALK has landed in the United Kingdom," Mr Fortunatow said the Company is now actively negotiating with a number of potential partners.

"We are very keen to engage a High Street retailer, just as we have worked with JB Hi-Fi in Australia and Spark in New Zealand," Mr Fortunatow said. "There are many quality retailers in the UK that know the category. We are actively negotiating and launch planning with a number of parties and expect to be able to make an announcement in due course."

Mr Fortunatow said that SPACETALK's key advantage in the UK market will be its safety, security and quality.

"Incumbent children's smartwatch vendors are mainly white labelled Chinese watches. Many have had to withdraw their products because they didn't meet watertight security standards required to support parental smartphone Apps. SPACETALK's security is not only road-tested in Australia and New Zealand but meets stringent EU General Data Protection Regulation (GDPR) tests."

"A new version of SPACETALK has been specifically built for the UK which operates on the 900/1200 bands. Interestingly, these bands make SPACETALK compatible with the mobile phone spectrum used across Europe," he said. "However, our main energies will be directed at the UK market and its predominantly English language customers. Our experience at Mobile World Congress tells us there is significant interest in SPACETALK's high security and privacy features from European retailers and telcos, and we are throwing the group's resources behind the UK as our first foray into this huge potential market."

ABOUT MGM Wireless

MGM Wireless Limited is a technology company designing, developing and commercialising smartphone + watch wearables devices for children, and software for school communication and student absence management. The Company's wearables division has developed a children's all-in-one smartphone, watch and GPS device 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 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 1,400 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

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