ASX Market Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

MGM Wireless Limited (ASX:MWR)

13 November 2019

RETENTION RIGHTS AND SHARE ISSUE

Highlights:

- **Employees issued retention rights and shares, issue of shares to service provider.**
- **Rights subject to continuing service vesting condition designed to promote retention of key personnel.**

13 November 2019 - Technology company **MGM Wireless Limited (ASX:MWR)** ('MGM' or the 'Company') advises that 46,750 retention rights and 3,000 fully paid ordinary shares have been issued to employees in recognition of their contribution to the development, sales and marketing of the Company's SPACETALK children's watch and to assist in retaining their services in a highly competitive market for quality people. In addition, 10,000 shares have been issued to a director on the exercise of options and 9,000 shares have been issued to a HR consultant in lieu of cash payment for services relating to the recruitment of specialist staff and associated services which are subject to an escrow period of 12 months from the date of issue.

MGM Wireless CEO and Executive Chairman Mr Mark Fortunatow said the issue of the retention rights and shares to employees reflects the Company's ongoing focus on recruiting and retaining employees and providing an additional component of remuneration to assist the Company compete effectively for the calibre of talent required to achieve MGM's strategic goals and targeted business performance.

The retention rights are subject to a range of vesting dates from 2021 to 2022. Upon vesting, the employee will be issued with 1 fully paid ordinary share in MGM Wireless for each right, for no consideration. If the employee ceases employment prior to the vesting of the rights, the rights will be forfeited.

An Appendix 3B in respect of these issues is attached to this announcement.

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About MGM Wireless

MGM Wireless Limited is a technology company designing, developing and commercialising a smartphone + watch wearables device for children, and software for school communication and student absence management. The Company's AllMyTribe 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 1400 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

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

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 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

MGM WIRELESS LIMITED

ABN

93 091 351 530

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	(a) Fully paid ordinary shares (b) Retention Rights
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	(a) 22,000 (b) 46,750
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	(a) Fully paid ordinary shares (b) Retention Rights issued to employees with vesting subject to continued service condition being met, various vesting dates.

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	(a) Yes (b) No – Retention Rights
5	Issue price or consideration	(a) $1.40 per share in respect of 10,000 shares issued on the exercise of options. 9,000 shares were issued to a consultant as payment for services. 3,000 shares were issued to an employee for services. (b) Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(a) Issue to director upon exercise of $1.40 options (10,000 shares), to a HR consultant in lieu of cash payment for services relating to the recruitment of specialist staff and associated services (9,000 shares), and to an employee (3,000 shares). (b) Issue to employees in recognition of performance and to assist in retaining key personnel long term.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	16 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	(a) 12,000 (b) 46,750

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	(a) 10,000
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Capacity under rule 7.1 – 286,167 Capacity under rule 7.1A – 1,000
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	13 November 2019

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	14,154,148	Ordinary Shares

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	230,000	Options exercisable at $1.40, expiring on 30 April 2020.
		550,000	Options exercisable at $4.00, expiring on 29 November 2020.
		45	Convertible Notes with an aggregate face value of $1,750,000.
		84,750	Retention Rights
		210,000	Options exercisable at $6.00, expiring on 30 April 2022.
		150,000	Options exercisable at $8.00, expiring on 30 April 2022.
		150,000	Options exercisable at $10.00, expiring on 30 April 2022.
		300,000	Options exercisable at $5.50, expiring on 30 June 2022.
		300,000	Options exercisable at $6.50, expiring on 30 June 2022.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Ordinary Shares will, from the date of allotment carry the right to participate in dividends. Options from the date of exercise carry the right to participate in dividends.

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A

+ See chapter 19 for defined terms.

13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

+ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements *in full* through a broker?	N/A
31	How do security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A

32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(*tick one*)

(a) ☑ +Securities described in Part 1 (Fully paid ordinary shares only)

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A
39	+Class of +securities for which quotation is sought	N/A
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	N/A

42	Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)	Number	+Class
		N/A	

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

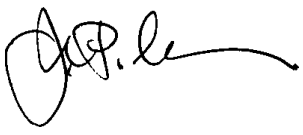
2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 13 November 2019

(~~Director~~/Company Secretary)

Print name: Justin Nelson

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	12,007,500
Add the following: • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	50,000 (13 November 2018), 10,000 (11 December 2018), 135,000 (8 March 2019), 15,000 (20 March 2019), 15,000 (17 June 2019), 250,000 (19 June 2019), 10,000 (13 November 2019).
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
"A"	12,492,500

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	1,873,875
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	56,000 retention rights (3 December 2018) 22,000 shares (3 December 2018) 10,000 shares (11 December 2018) Convertible Notes with a face value of $500,000 (equates to 183,824 shares assuming $2.72 conversion price) (28 February 2019) 12,000 retention rights (17 June 2019) Convertible notes with a face value of $250,000 (equates to 91,912 shares assuming $2.72 conversion price) (28 June 2019)) Convertible notes with a face value of $250,000 (equates to 91,912 shares assuming $2.72 conversion price (9 August 2019)) 369,398 shares (27 September 2019) Convertible notes with a face value of $250,000 (equates to 91,912 shares assuming $2.72 conversion price) (1 October 2019) 600,000 options (10 October 2019) 12,000 shares (13 November 2019) 46,750 retention rights (13 November 2019)
"C"	1,587,708
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining	

+ See chapter 19 for defined terms.

placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	1,873,875
Subtract "C" *Note: number must be same as shown in Step 3*	1,587,708
Total ["A" x 0.15] – "C"	286,167

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	12,492,500
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	1,249,250
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	1,248,250 (27 September 2019)
"E"	1,248,250

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	1,249,250
Subtract "E" *Note: number must be same as shown in Step 3*	1,248,250
Total ["A" x 0.10] – "E"	1,000 *Note: this is the remaining placement capacity under rule 7.1A*

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