ASX Announcement

MGM Wireless Limited (ASX:MWR)

23 September 2019

$5.5 MILLION PLACEMENT TO FUND GROWTH IN SPACETALK WATCH

23 September 2019 –Technology company **MGM Wireless Limited (ASX:MWR)** ('MGM' or 'the Company') today announced a successful placement of shares to Australian investors raising $5.5 million before costs. The offer was cornerstoned by a number of institutional and sophisticated investors including Thorney Investment Group, Perennial Value, Eight Investment Partners, James Spenceley and others.

Funds from the placement will support future growth initiatives including purchase of stock and working capital required to ramp up sales of the SPACETALK all-in-one smartphone, watch and GPS device for children aged 5-12 and the accompanying AllMyTribe app.

MGM Wireless will issue approximately 1.62 million new fully paid ordinary shares at $3.40, a 9.7% discount to the 10-day volume weighted average price and a 9.8% discount to MGM Wireless' last traded share price. Canaccord Genuity (Australia) Limited was sole bookrunner and joint lead manager of the placement with Gleneagle Securities.

Settlement of the placement is expected to take place on 26 September and new shares allotted on 27 September. New shares under the placement will rank equally with existing ordinary shares. 369,397 new shares will be issued within the Company's current placement capacity under listing rule 7.1 and 1,248,250 new shares under listing rule 7.1A.

In August 2019, MGM Wireless secured a watershed agreement with UK-based Sky, Europe's leading media, entertainment and telecommunications company, which has commenced selling SPACETALK through Sky Mobile on a £10 per month plan. MGM Wireless sold 18,270 SPACETALK units in FY19, up 1,023% compared with 1,785 units in its first nine months of availability. The Company anticipates sales of approximately 90,000 SPACETALK watches in FY20 as Sky accelerates its roll out and further agreements with distributors in Europe and Australia are finalised.

Share split to be proposed at AGM

Once settlement of the placement is completed, the Company will have approximately 14,132,147 shares on issue. MGM Wireless' Board has resolved that at the upcoming Annual General Meeting, it will ask shareholders to approve a share split which it believes will increase the general trading liquidity of the stock. While the ratio of the split is still to be finalised, it is expected to be 10 new shares for every current share.

MGM Wireless CEO Mark Fortunatow said: "The success of the placement demonstrates strong support for the Company from institutional and sophisticated investors who recognise the significant market opportunity for SPACETALK and its clear competitive advantage in the children's wearables market. We are delighted to welcome new shareholders and thank existing shareholders who participated in the placement."

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

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