For personal use only

2Q 21

SPACETALK

Keeping Families Safe and Connected

MGM Wireless Limited
(ASX: MWR)

27 October 2020



Important notice

This presentation has been prepared by MGM Wireless Limited ("MGM Wireless," or "Company," or "MWR").

Information contained in this presentation:

- is intended to be general background information only, and is not intended that it be relied upon as advice to investors or potential investors and is not an offer or invitation for subscription, purchase, or recommendation of securities in MGM Wireless
- should be read in conjunction with MGM Wireless's financial reports and market releases on ASX
- includes forward-looking statements about MGM Wireless and the environment in which MGM Wireless operates, which are subject to significant uncertainties and contingencies, many of which are outside the control of MGM Wireless - as such undue reliance should not be placed on any forward-looking statements as actual results or performance may differ materially from these statements
- includes statements relating to past performance, which should not be regarded as a reliable guide to future performance
- includes certain financial information which MGM Wireless considers useful to assist in evaluating MGM Wireless's performance, however, such information has not been subject to audit or review in accordance with Australian Auditing Standards

All dollar values are in Australian dollars (A$) unless otherwise stated.

Definitions:

- FY = financial year ended 30 June
- Q1 = quarter ended 30 September

SPACETALK

ersonal use only

ersonal use only

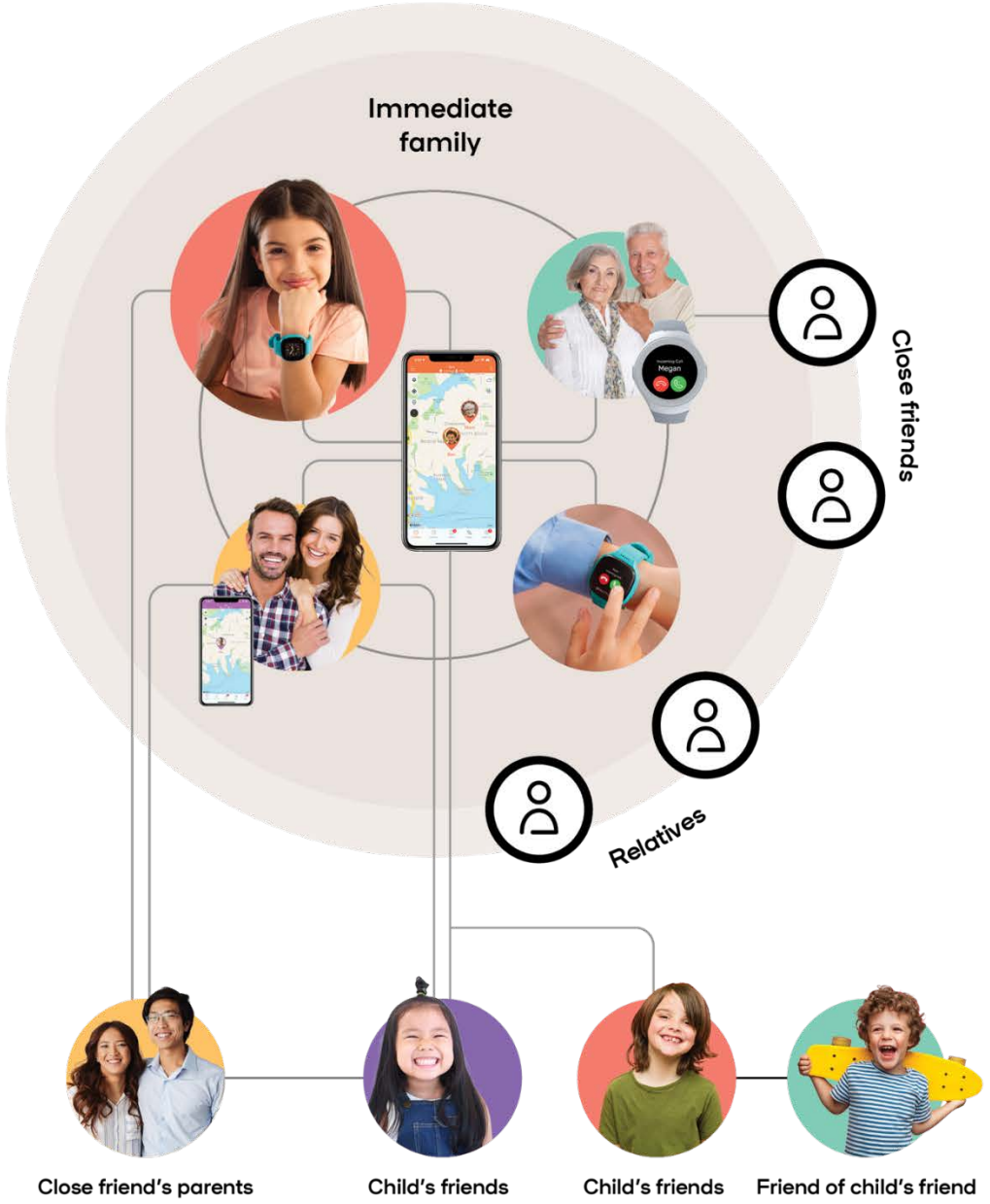
Our purpose

To build socially responsible technologies for families to feel safe and connected, so that they can live with support, independence and confidence.



Download on the App Store

GET IT ON Google Play



Q1 FY21 financial highlights

During COVID-19

Record Spacetalk and Company performance

SPACETALK

Revenue +18% pcp to $2.3m



Device Revenue
+10%
pcp to $1.9m

App Revenue
+75%
pcp to $0.4m

App ARR
+77%
pcp to $1.7m

Highest grossing app
in the Navigation category in Australia[1]

GET IT ON Google Play
4.3 user satisfaction rating

Download on the App Store
4.1 user satisfaction rating

MGM Schools



Revenue of $0.4m, -18% pcp

MGM SPACETALK

Record revenue, COVID-19 cost controls

Revenue
+10%
pcp to $2.7m

Gross Profit
Flat
pcp to $1.6m

Operating Expenses
- 42%
pcp to $1.2m

1. San Francisco based market research company App Annie appannie.com/en/.

personal use only

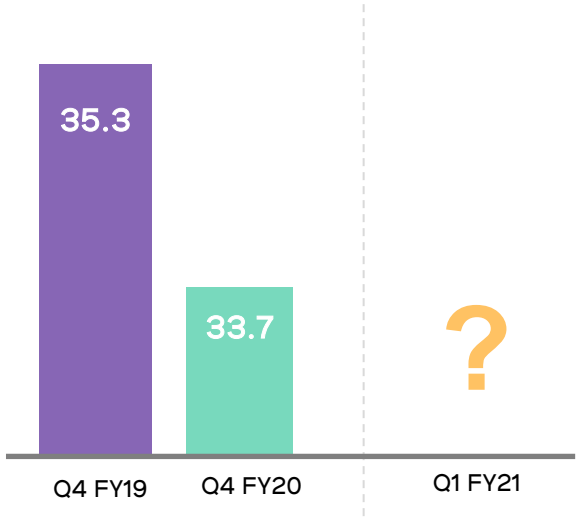
Q1 FY21 context

CUSTOMER DEMAND
The big unknown!

Facing uncertainty in a year of extraordinary circumstances

COVID-19

Global Watch Wearables Shipment Volumes



Source: IDC

Uncertainties

- **Lockdown** Kids/Seniors at home
- **Consumer spending**
- **Factory shutdowns**
- **Logistics disruptions**

DECISIVE ACTIONS

EMPLOYEE AND CUSTOMER SAFETY

- Work-from-home since March 2020
- Slashed costs. Implemented 4 day work week and 20% pay cut
- Focus on maintaining productivity and engagement with employees, suppliers, sellers, customers

PRUDENT FINANCIAL MANAGEMENT

- Ended FY20 in a position of financial strength, with Cash at Bank of A$3.1m
- Nevertheless, began Q1 FY21 with cash a key focus
- Cut substantially into corporate costs and marketing spend, and increased controls over inventory management; in retrospect, perhaps overly cautious?
- MWR remains well capitalised

SUPPLIER AND DISTRIBUTION CHAIN FOCUS

- While COVID-19 impacted supply chains globally, strong engagement with our suppliers and distributors enabled meeting customer demands without interruptions

Source: IDC Worldwide Quarterly Wearable Device Tracker, August 2020.

ersonal use only

Q1 FY21 segment overview

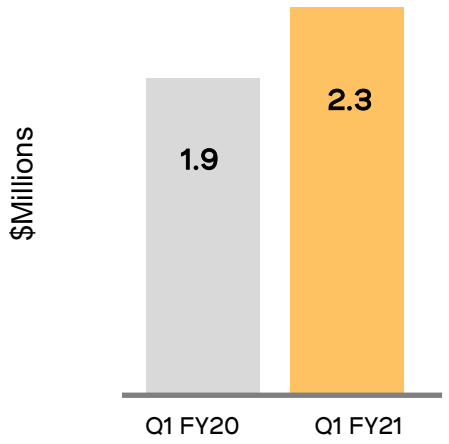
During COVID-19

Resilient revenue growth despite COVID-19 impact

SPACETALK

Total Spacetalk

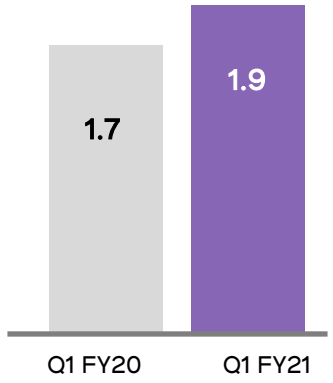
+18% pcp



- Category leader in ANZ
- Brand awareness in UK building but still nascent in a large market

Devices

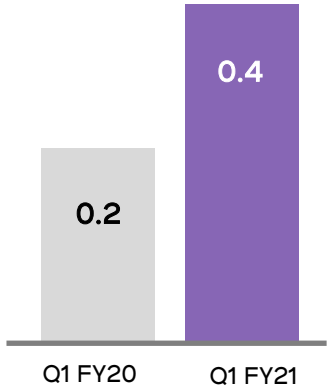
+10% pcp



- Impacted by COVID-19 family lockdowns and home schooling

App

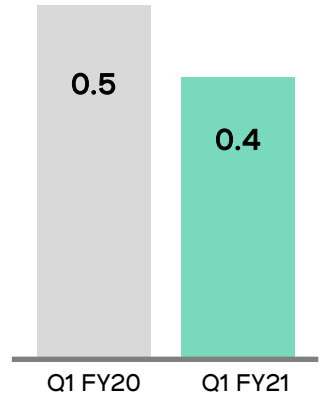
+75% pcp



- App paying users up 77%

MGM Schools

-18% pcp



- Budgeted decline due to timing of $140K invoicing of a Government contract

ersonal use only

Q1 FY21 operational highlights

During COVID-19

Product expansion

SPACETALK LIFE

Spacetalk Life launched, with brand awareness campaigns and on-line sales



NEW

SPACETALK KIDS

Spacetalk Kids 2 go-to-market planning and bricks and mortar retailer dialogues

Exciting new partnerships

vodafone	Vodafone commenced selling device and mobile services on monthly plans
amazon.co.uk	Launched on amazon.co.uk
JB HI-FI	Spacetalk Life ranging at JB HiFi stores nationally[1]
trybooking	Provided trybooking school customers with SMS services via jointly developed API

Platform innovation

Significant development of new in-app embedded services

Investment in people

Recruited seasoned talent into marketing, product development, distribution, communications and analytics

Enhanced business performance tracking

Increased analytics for tracking customer engagement metrics

1. Announced post Q2 FY21 on 7 October 2020.

ersonal use only

Our value proposition

1

Global market opportunity

2

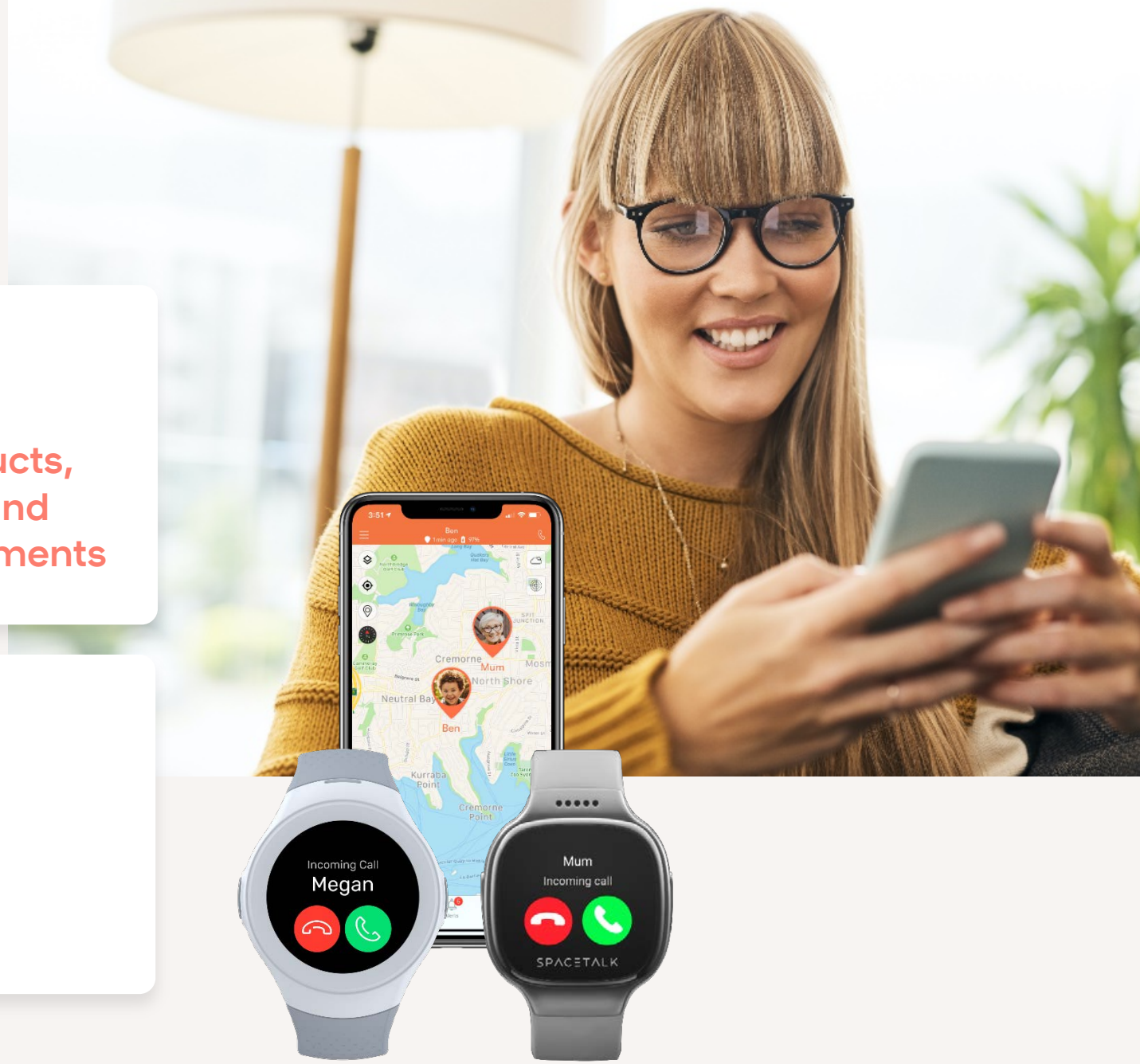
Multiple products, geographies and customer segments

3

Leader in our niche

4

Gaining sales traction



ersonal use only

ersonal use only

Global market opportunity

Massive market: fast growing for kids, developing for seniors



Fast growing market

Kids

30%
of all smartwatch sales will be to children aged 5-13

$52B
Global spending on wearables forecast in 2020

109M
Global smartwatch shipments expected to reach 108.91m by 2024 from of 43.87m in 2018 (CAGR of 14.5%)

Source: Gartner Research, IDC.



Large new market

Seniors

1.14B
Aged 60 years and older by 2030

1.3M
Aged care consumers in Australia

$27B
Australian public and private contributions to aged care in 2018-19.

Sources: https://www.health.gov.au/health-topics/aged-care, Australian Bureau of Statistics, 3222.0 – Population Projections, Australia, 2006 to 2101 (April 2008), https://agedcare.royalcommission.gov.au/sites/default/files/2020-06/consultation_paper_2_-_financing_aged_care_0.pdf.

Multiple geographies

Gaining sales traction

Devices: more products, better penetration

Q1 FY21

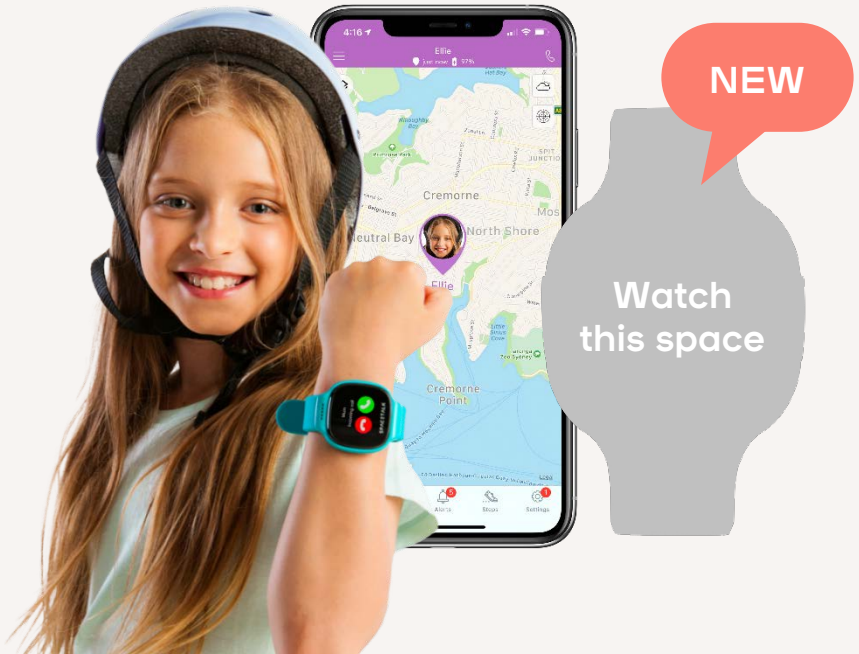


SPACETALK KIDS

- Market leader with focus on channel penetration
- Spacetalk Kids 2 go-to-market planning and bricks and mortar retailer dialogues

SPACETALK LIFE

- Launched, with brand awareness campaigns and on-line sales through the Company's e-commerce site for most of the quarter
- Building market traction despite paired back go-to-market due to COVID-19
- Launched at JB Hi-Fi's 197 stores nationwide earlier this month



▲ 7%

$1.6m

Retail and Telco partners

▲ 32%

$0.3m

Company Ecommerce

▼ 44%

$34

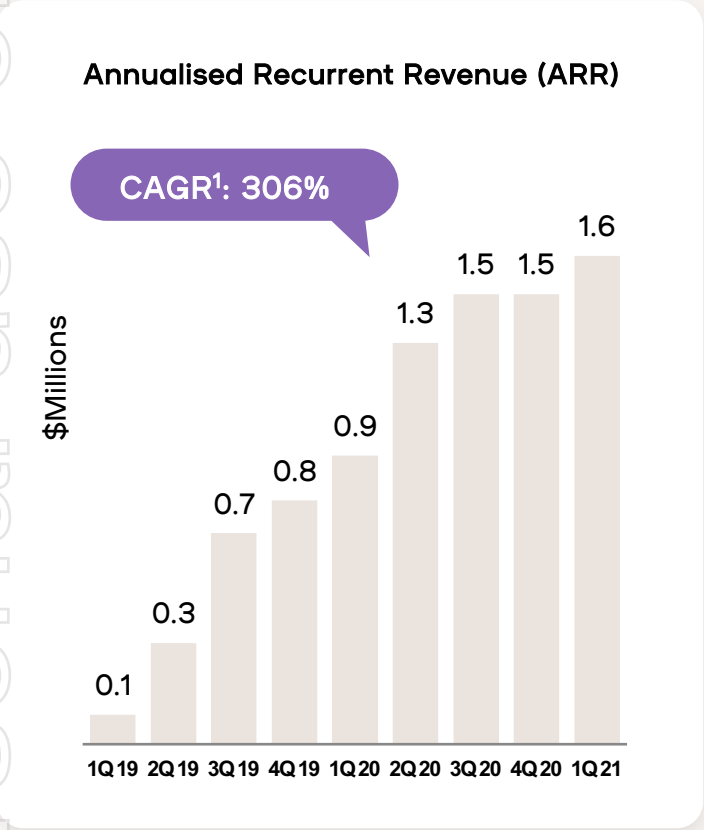
Customer Acquisition Cost

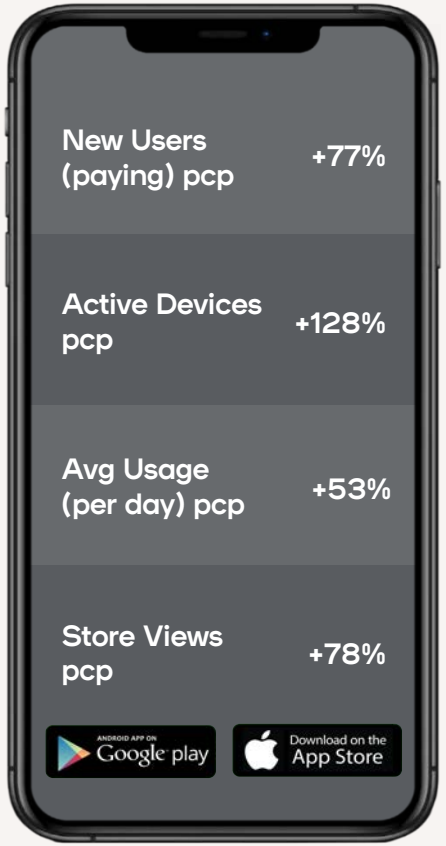
ersonal use only

Multiple geographies

Gaining sales traction

App: higher ARR, more features and users





Q1 FY21 App updates

- Improved customer onboarding and pairing experience
- Spacetalk Life - new seniors specific features - eg. location on request, medication reminders, Bluetooth pairing to assisted hearing devices



Download on the App Store

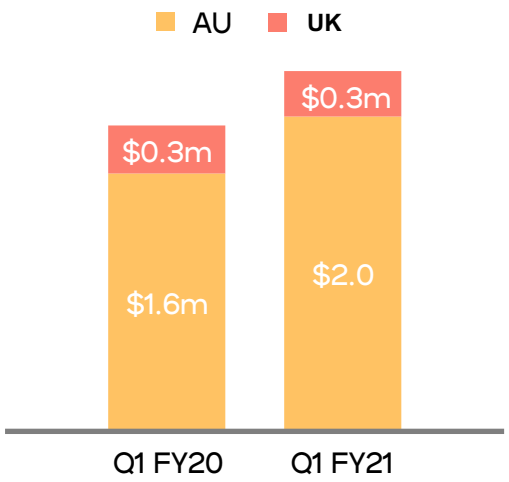
GET IT ON Google Play

Footnote: 1. Yearly Compound Annual Growth Rate.

ersonal use only

Multiple geographies

Gaining sales traction



- ANZ revenue up 22%; category leader
- In the UK timing of market entry during COVID-19 impacting

UK initiatives:

- Launch on Amazon.co.uk
- Sky continues to invest in marketing
- Company investing in team and increasing brand awareness

902 stores

In ANZ and the UK

UK New in Q1 FY21

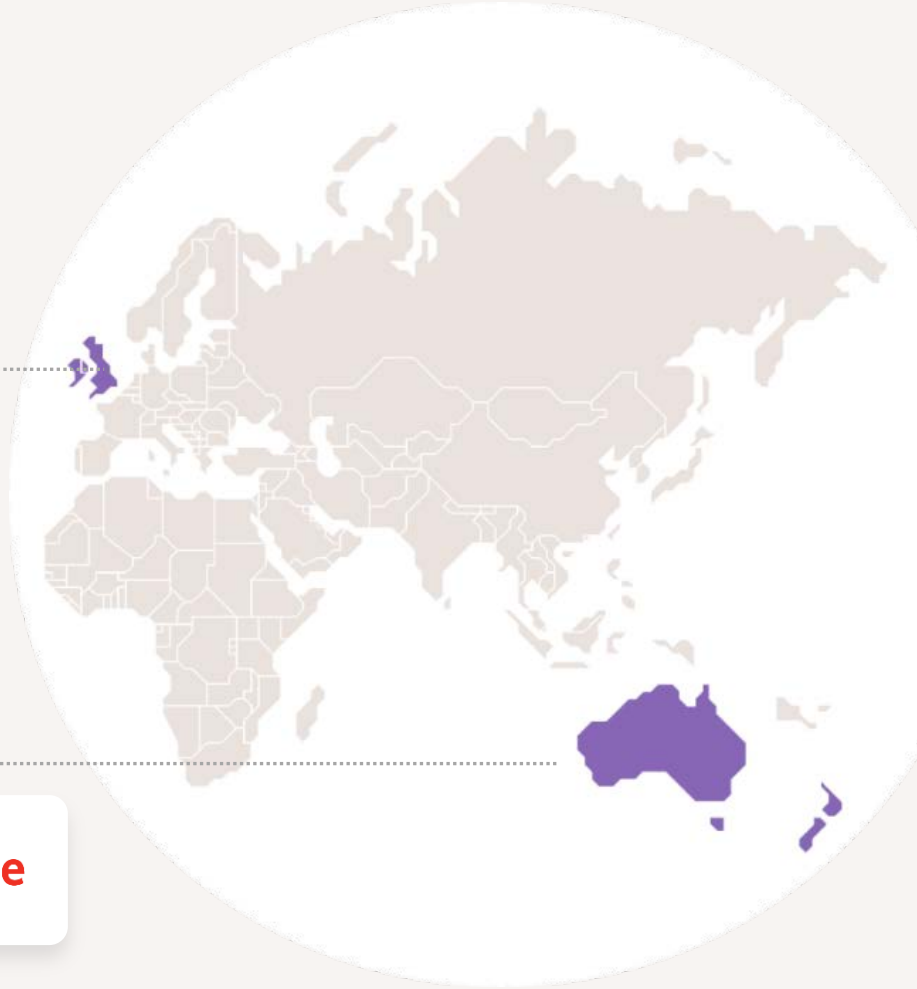
amazon.co.uk

ANZ New in Q1 FY21

JB HI-FI

Spacetalk Life

vodafone



ersonal use only

Leader in our niche

Best-in-class product

Spacetalk Kids: market leader | Spacetalk Life: one-of-a-kind



	SPACETALK	Most Others
Reliable mobile coverage across Australia, New Zealand and UK	✓	✗
External Mobile antenna placement in watch frame maximises mobile reception	✓	✗
High Accuracy Location Technology with licensed Google Maps™	✓	✗
Scratch resistant glass touch screen	✓	✗
High quality painted gloss finish	✓	✗
Complies with Australian telecommunications network requirements	✓	✗
Tested and certified to Australian standards and safe for kids	✓	✗
Your family's data security stored in Australia	AUSTRALIA	Overseas
Data protected by Australian privacy and security laws	✓	✗
AllMyTribe Apps 100% developed in Australia	AUSTRALIA	Overseas
Spacetalk Life is the ONLY smartwatch connected to a mobile network operator	✓	✗

ersonal use only

Leader in our niche

Growing market share

-10%

Mobile phones[1]

Why? Market saturation, Increased replacement cycle, Alternatives - WEARABLES

+12.4%

Wearables[1]

Watch wearables (fastest growing category): +14.5%

SPACETALK

47% yoy growth in FY20



1. Source: IDC, CAGR growth rates from 2018 to 2024.

ersonal use only

Exciting new agreements

VODAFONE partnership

SPACETALK

- Vodafone commences roll out of Spacetalk kid's mobile phone smartwatch on monthly plans in retail stores
- Onboarding post exhaustive Spacetalk device testing and certification by Vodafone
- Efforts over the Quarter centred on investing in marketing and training, with sales beginning to ramp up

"The Spacetalk Watch is a natural fit for Australian families and we are proud to be the first Australian Telco to partner with MGM Wireless to bring this innovative device to the market"

- Vodafone Head of Devices, Ian Walls

vodafone

Strategic value for Telco carriers

- ✓ Win the home and family, creating stickiness
- ✓ Opportunity to transition the "kid" to their first smartphone
- ✓ New connected growth amongst a flat/declining mobile market
- ✓ Every sale is a new service added to the network

Improved customer experience / NPS

- ✓ Enhanced product affordability - payments on monthly plan cf. upfront
- ✓ Greater choice for consumers - carriers will create multi product offers - phone+watch, etc.

Expand Spacetalk's leadership globally

- ✓ Significantly grows market awareness, by leveraging Vodafone/TPG's marketing engine and customer base
- ✓ Increases market place/industry credibility, as carriers carry a small range of products and have robust testing processes

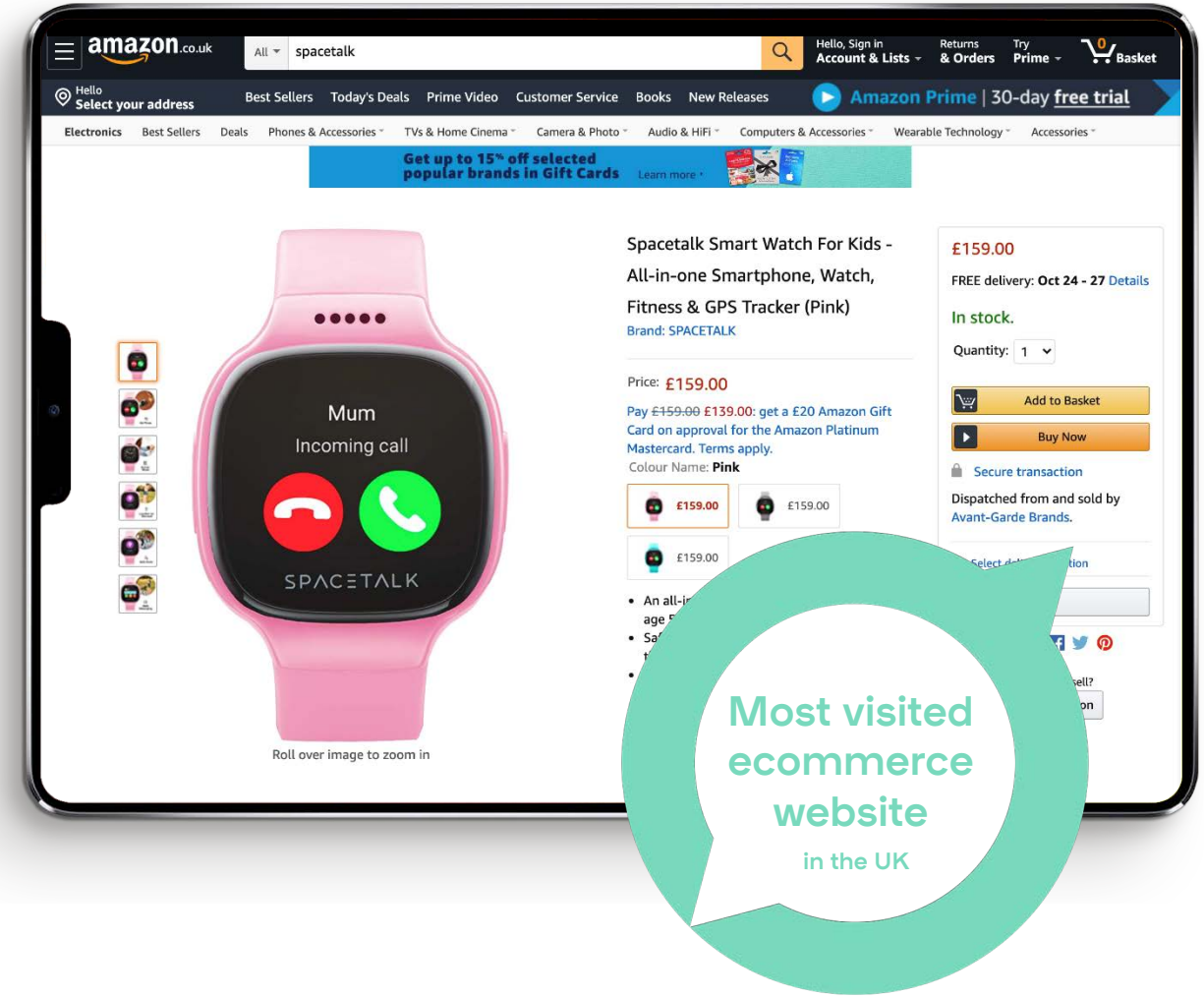
ersonal use only

Exciting new agreements

Amazon.co.uk

SPACETALK

- Spacetalk selling on Amazon uk via retailer with strong consumer electronics background
- Most visited ecommerce website in the UK
- Market reach - 51% of the population; 34 million unique visits and 453 million total visits in August 2020, with Consumer Electronics and Technology being the highest audience interest category



amazon.co.uk

ersonal use only

personal use only

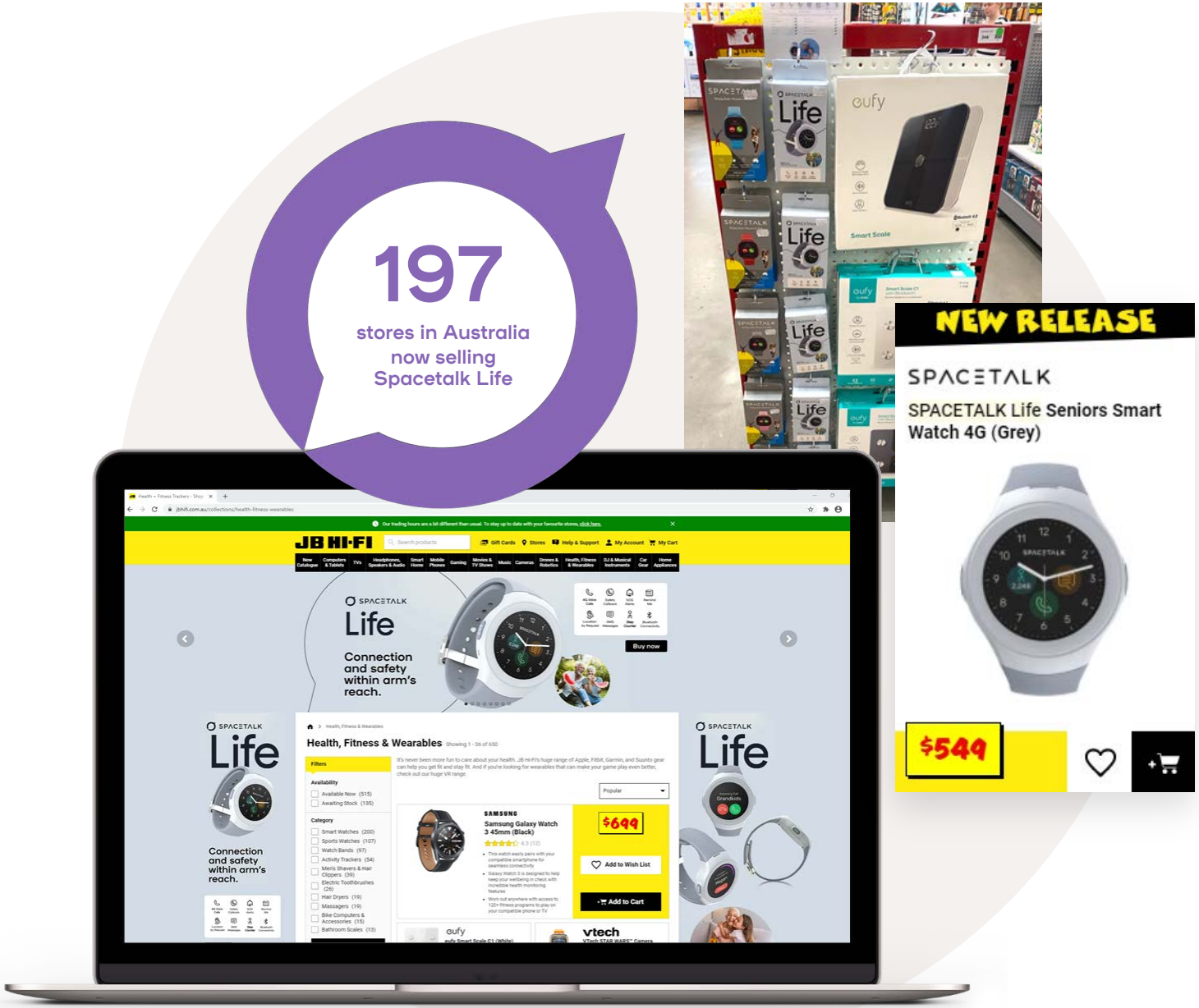
Exciting new agreements

JB Hi-Fi in-store ranging

SPACETALK LIFE

- Spacetalk Life commences selling through 197 JB Hi-Fi stores in Australia
- First bricks and mortar retail distribution
- Follows on-line launch and excellent customer feedback
- Significant distribution channel and exciting endorsement of a new market opportunity

JB HI-FI



Exciting new agreements

MGM Schools - trybooking

The MGMOutReach+ platform allows schools to contact parents via SMS, App, email and social media for school event reminders and emergencies.

- Allows schools to use MGM SMS services for trybooking ticketing and event reminder
- Allows schools to communicate to Parents through one system
- Seamless integration via MGM & trybooking API
- New application and revenue for MGM Outreach

MGM Schools

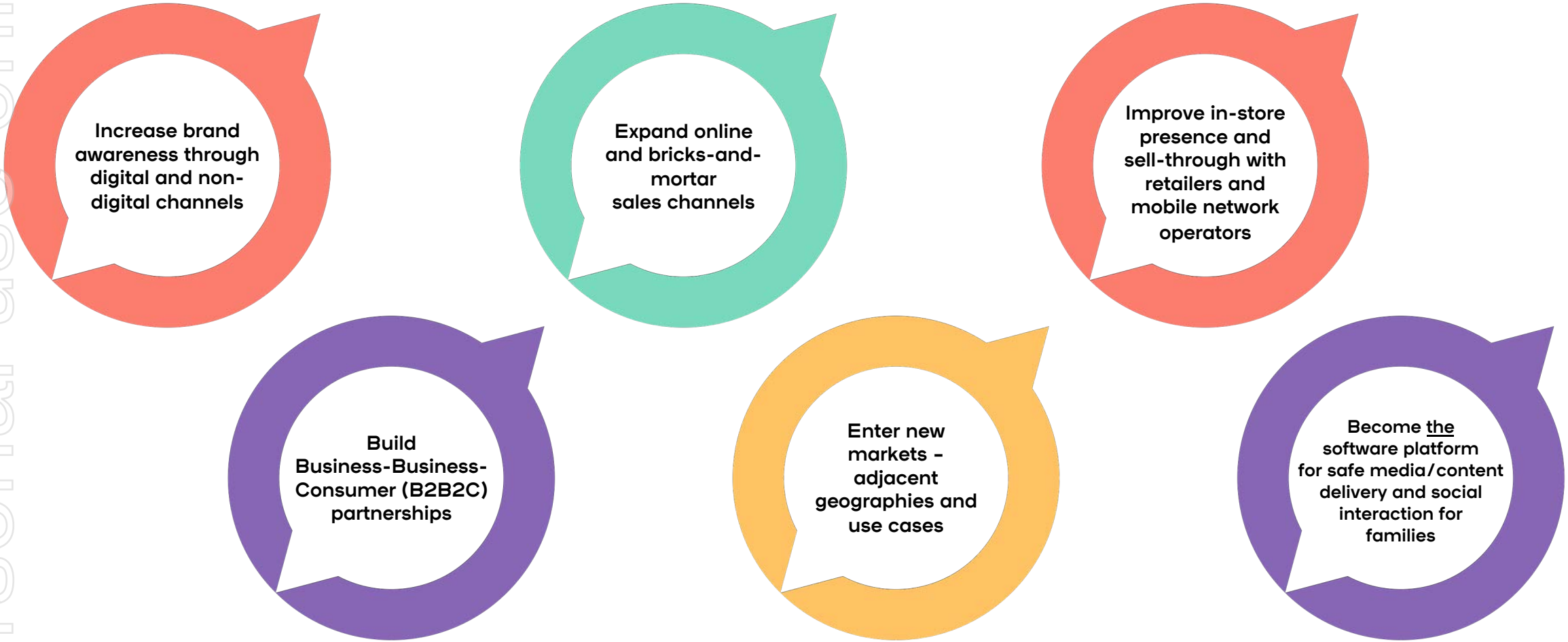
MGM OutReach+ trybooking

1. Schools create event and ticketing using trybooking
2. School sends event invitation via SMSs with a link to book ticket(s)
3. Invitee books ticket(s) via trybooking
4. API updates MGM Outreach that invitee has purchased tickets
5. Schools use MGM SMS for ongoing event promotion

ersonal use only

Business strategy

Growing our market-leadership position



ersonal use only

Investment highlights

- **Strong business value proposition:**
  - ✓ global market opportunity
  - ✓ multiple products, geographies & customer segments
  - ✓ leader in our niche
  - ✓ gaining sales traction
- **History of pioneering technology innovations for families**
- **Experienced and significant management team committed to our Purpose**
- **Extensive new adjacent markets**
  - ✓ geographies - Europe, US
  - ✓ use cases - media, gamification, education, health, NDIS, field workers, others
  - ✓ B2B2C - media, health insurance, assisted living, aged care, others
- **Significant growth opportunity to be *<u>the</u>* platform for safe media/content delivery and social interaction for children, seniors and families**

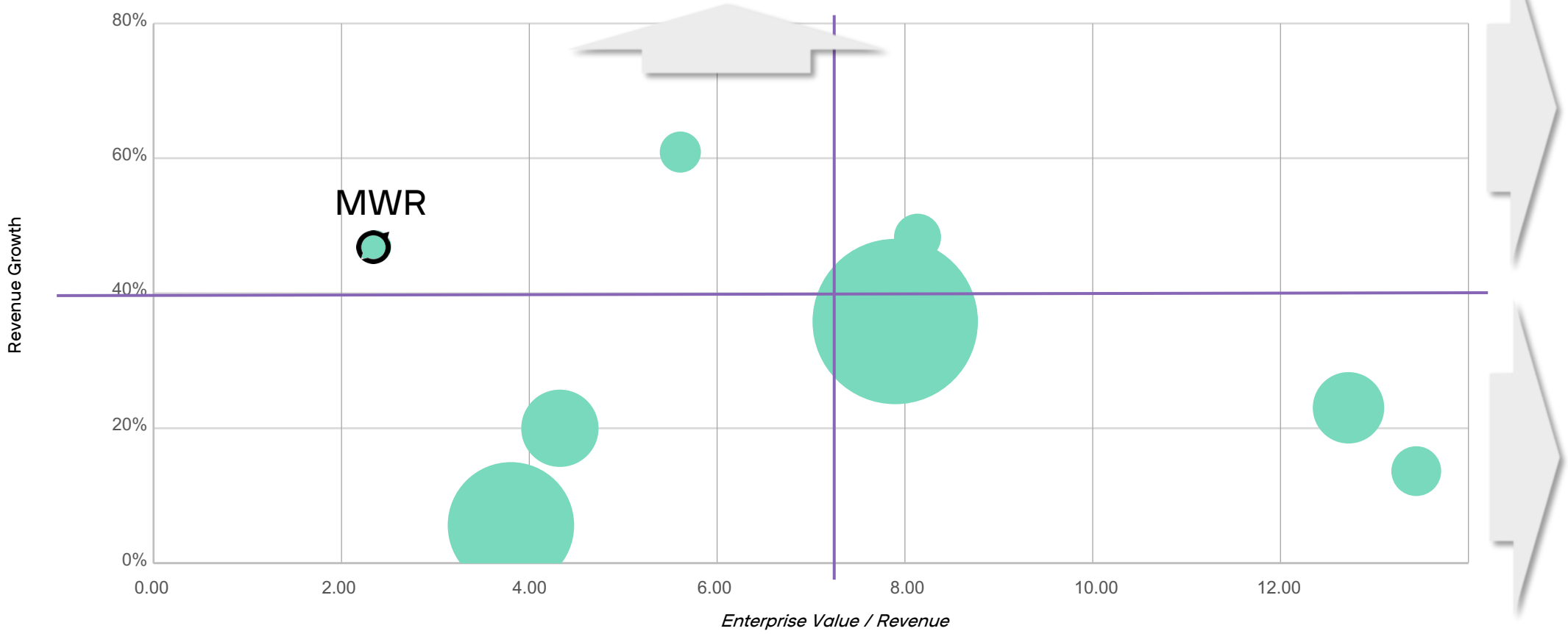


ersonal use only

Investment highlights

Relative value

Comparable companies - ASX listed, with tech for Families, Education, Healthcare | IoT devices and SaaS business models



Source: ASX, Company reports.
Footnote: Market data as at 30 September.

Bubble size = Market capitalisation.
Enterprise value = market capitalisation + net debt.

Revenue growth - FY19 to FY20.

ersonal use only

Appendix



ersonal use only

Corporate snapshot

Experienced Board with a proven track record

MWR.ASX Overview[1]	
ASX Code	MWR
Shares on Issue	165,186,476
Unquoted Options	19,500,000
Retention Rights	737,500
Share Price	$0.15
Market Capitalisation (fully diluted)	$27,813,596
Number of shareholders	1,581
Date Founded	2001
Year of Listing	2003

1. As at 30 September 2020.



Mark Fortunatow
Chairman / Founder / Chief Executive Officer
B.Sc. (Ma.Sc.) B.Ec
- 27 years of senior executive management experience
- Founded and sold several successful technology-based enterprises



Dr Brandon Gien
Non-Executive Director
D EnvDes, BID
- Founder and CEO of Good Design Australia.
- Former Senator of the World Design Organization.



Martin Pretty
Non-Executive Director
B.A. (Hons), GradDipAppFin
- 20 years investment and finance industry experience.
- MD of Equitable Investors and former AFR Journalist.

"FY20 was a year of significant strategic progress towards our Purpose, strong revenue growth, exciting new product developments and launches, entries into new markets and distribution partnerships, and the attraction of high quality people talent to our Board and management."

Mark Fortunatow - Chairman and CEO

ersonal use only

Internal use only

Our reason for life

We exist to enrich connections between families, schools and society.









★★★★★

Brilliant solution

"This is a terrific product - works reliably, clear voice calls, and fantastic features. We love this is mostly a watch but allows us to have contact with our 10 year old daughter if we need to. No distractions at school, no internet or games, just the necessary safety functions. Has given us the confidence to let her walk to the shops or home from school, we can change plans with her if we need to at school pickup, and she loves being able to call on a sleepover before bed and know we are in easy reach if she needs us. Also as it is a watch she doesn't forget it or put it down anywhere. Love it."

- Customer Review

★★★★★

Great for the less confident child

"My son uses this on a daily basis going to his friends, phoning him to come back home, he contacts his uncle's, aunt's and grandparents. I've not used it in the same way I expected. Just by him having it I feel much less anxious about him being on his own and exploring."

- Ross Petrie

★★★★★

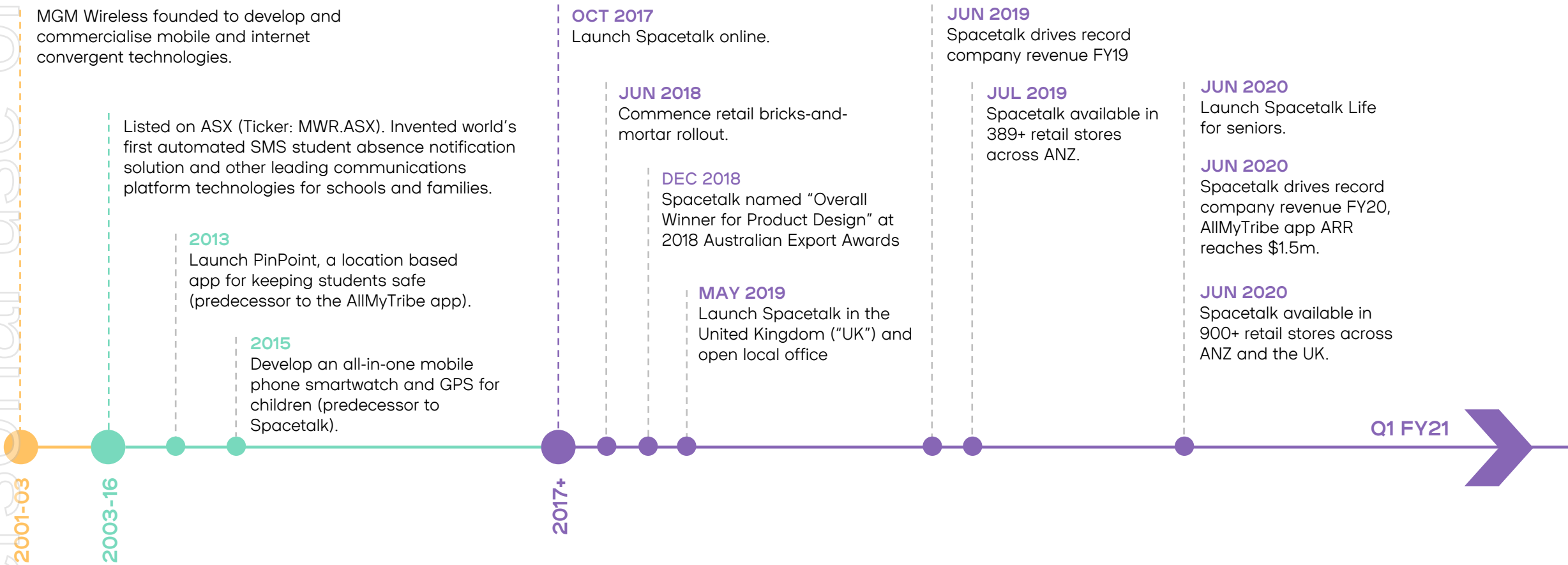
FANTASTIC

"We bought 2 of these for our 8yr and 11yr olds. They have given us great peace-of-mind that we can track, call or text them when giving them some freedom. We have dealt with the company directly and they have been fantastic. I told a friend about them and she went and purchased one the next day!"

- Natasha Koole

Our history

Pioneering technologies to keep families safe and connected



ersonal use only

Business model

Track record of success

Develop

MGM Wireless designed and developed the Spacetalk range for children and seniors.

Distribute

Through Spacetalk website, leading telcos, and bricks and mortar retailers.

Subscribe

Spacetalk users subscribe to AllMyTribe app generating recurring revenues (SaaS).

Market

Extensive marketing campaigns to drive sales in store and online.

Expand

Additional products currently under development with new international markets being entered.



ersonal use only

FY20 highlights

Up 47%

Total Revenue

$10.5m



SPACETALK

Device Revenue	App Revenue	App ARR
+53% pcp to $6.4m	+180% to $1.2m	+89% to $1.5m

Highest grossing app in the Navigation category in Australia[1]

4.1 user satisfaction rating[1]

MGM Schools

- $1.3m contract with WA Department of Education
- Revenue up 25% pcp to $2.7m
- EBITDA contribution up 58% to $1.9m**



Cash at Bank
$3.1m
Plus $2.5m SPP proceeds

New Product

SPACETALK LIFE

Launch of Spacetalk Life – a wearable smartphone, watch and GPS device for the seniors market



902 stores

in ANZ and UK

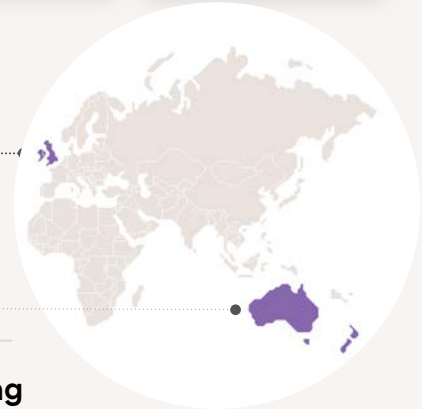
Increased distribution

New tier-1 online and bricks-and-mortar sales channels

JB HI-FI · vodafone · Officeworks · THE GOOD GUYS · Spark · dick smith · noel leeming · Harvey Norman NEW ZEALAND'S HOME OF ELECTRICAL

UK market entry

Currys PC World · sky



Significant investment in strengthening the Board and senior executive team

1. San Francisco based market research company App Annie appannie.com/en/.
** (excl. corporate overheads

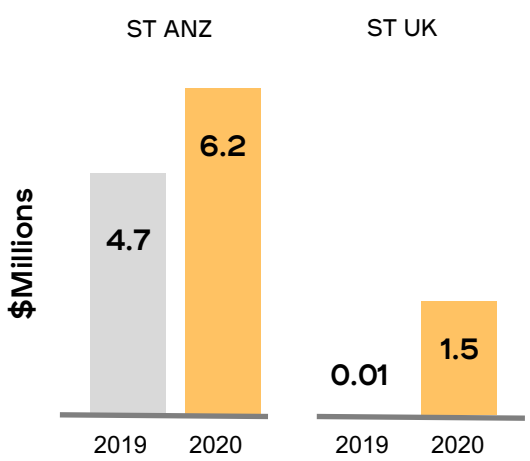
personal use only

FY20 segment overview

SPACETALK

Total Spacetalk

+66% yoy

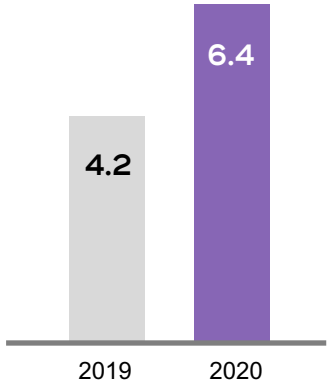


- ✓ Category leader in ANZ
- ✓ Encouraging early traction in the UK

Devices

+53%

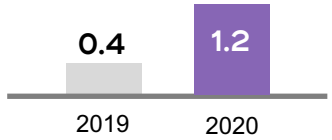
Device Revenue



App

+180% yoy

App Revenue

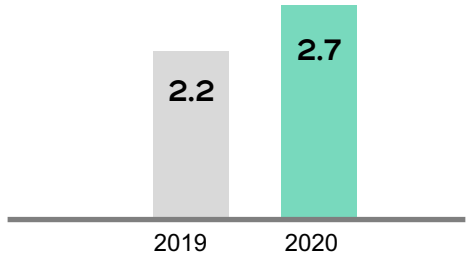


- ✓ Devices gaining market share
- ✓ App ARR up 89% to $1.5m
- ✓ Highest grossing app in the Navigation category in Australia

MGM Schools

+25% yoy

Schools



- ✓ $1.3m contract with WA Department of Education

ersonal use only

Kids

SPACETALK

Spacetalk® is an all-in-one Smartwatch, Phone and GPS device for kids aged 5-12. Australian designed and developed, Spacetalk is secure with no open access to the Internet or Social Media. It's a safe, responsible and school friendly mobile phone for children.

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



ersonal use only

Seniors

SPACETALK LIFE

Simple, stylish and secure - Spacetalk Life is the must-have companion to keep you safe, happy and connected to your loved ones

- 4G Phone
- SOS Button
- Safety Callback
- Locate Me
- Voice & Text Messaging
- Step Counter
- Remind Me
- Bluetooth Connect







Personal use only

App

AllMyTribe

The true power of the watch is the app that goes with it!

- Parents can install the app on their smartphone and pair up to multiple watches, allowing parents to monitor their child's location, set up safe zones, manage contacts, customise watch faces and receive a variety of alert notifications
- Parents can even call or SMS their children straight from the app
- The subscription allows you to connect up to 2 watches for AUD$5.99/month or up to 5 watches for AUD$8.99/month

School Mode

Disables features while at school to keep children focused during learning times.

SOS Alerts

A dedicated SOS alert button can be programmed to call a sequence of guardians and emergency authorities

Safe Contact List

Control who can communicate with their child by phone and text, giving parents peace of mind

Safe Places

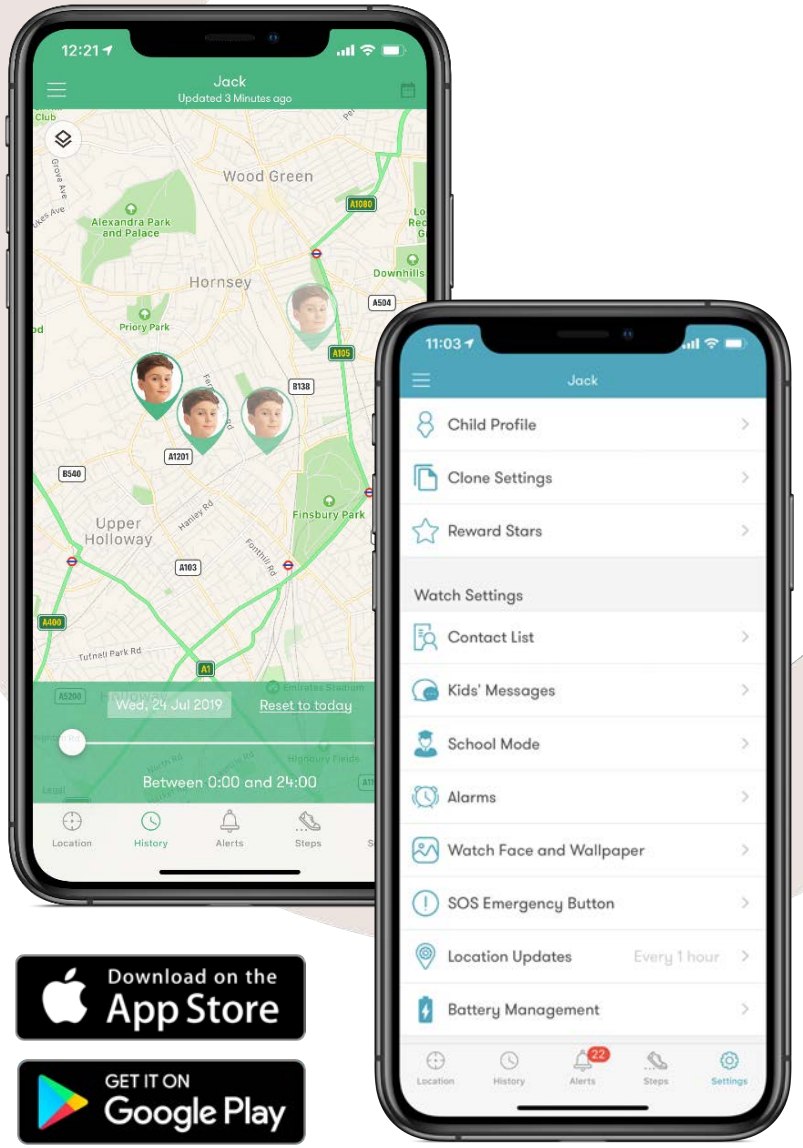
Setup Safe Zones and receive alerts when your child arrives and departs these zones.

Location on Demand

Know your child is safe and check on your child's whereabouts with a touch of a button

Reminder Alarms

Setup up reminders and alarms to help your child stay on top of their busy schedules



Download on the App Store

GET IT ON Google Play

ersonal use only

ersonal use only

MGM Schools

Trusted by over
1,200 schools

100m+ messages
safely delivered to parents and teachers

3.2m+ messages
sent in Mar 2020 supporting families through COVID-19



Since 2002

- ✓ Stable, profitable, subscription business with multi-year contract terms
- ✓ High margin, recurring revenue
- ✓ Continues to grow steadily

ersonal use only

Multiple customer segments

Wide range of "typical" customers

SPACETALK KIDS

84%

believe it's important to control web content for their family

67%

claim to be security conscious

88% female

aged between 30 and 49 yo and have kids between the age of 6 and 11

- 28% Work full-time
- 38% Work part-time
- 49% Have mortgage
- 38% Renting





Source: Roy Morgan Asteroid March 2018 (Mums of children aged 6-11), "Parenthood" by BROAD 2018 (Mums of kids aged 9-17).

personal use only

Multiple customer segments

Wide range of "typical" customers

SPACETALK LIFE



Pre-Pandemic

19% of older adults report feeling lonely fairly frequently.



USERS

Primary:
- Independent seniors aged 60+
- Find current technology complicated and overwhelming
- Want to stay connected, but require simplicity
- Still somewhat active - enjoys walks and light activity.
- Values behaviour privacy

Secondary:
- Dependent seniors aged 65+
- Typically lives in an aged care facility

BUYERS

Primary:
- Adults aged 45-60 purchasing for their parents
- Fairly adept in technology - using smartphones, apps, Tablets

Secondary:
- Adults aged 25- 40
- Purchasing for their grandparents



70% of Seniors are now on-line

90% have some type of cellular device

50%+ have issues and need support

ersonal use only

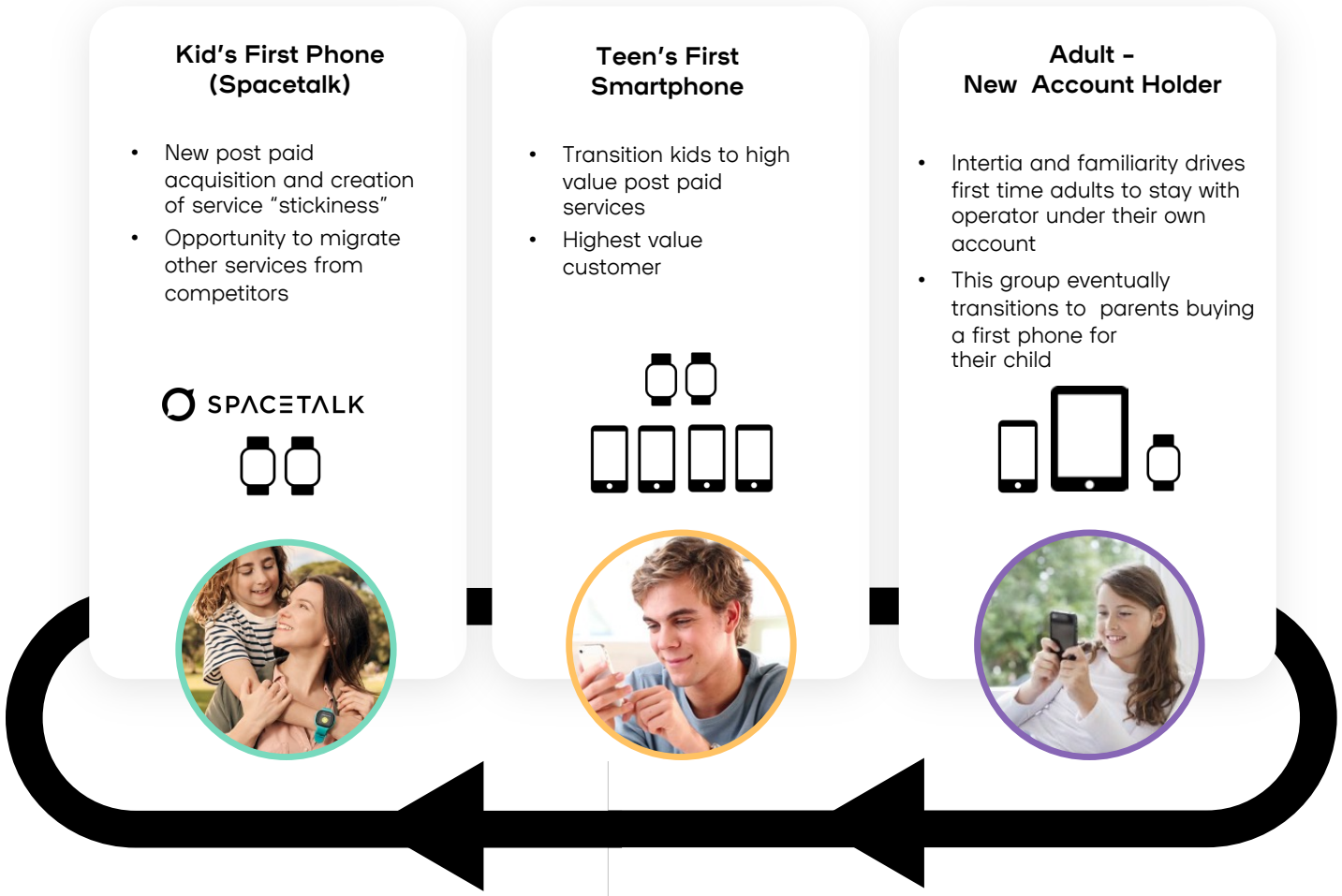
Multiple customer segments

For Telcos and Retailers

Strong CAC:LTV

- Driving new sales to large new market sector, children 5-12 yo
- Provides retailers and mobile network operators an opportunity to responsibly acquire new customers at an early age
- Opportunity for mobile network operator to acquire customer at lower cost (less than AU $90)
- Customers are likely to continue with the same mobile network when the user upgrades to a smart phone

Lifetime Value Loop



Spacetalk family ecosystem

Kids
Teens
Young Adults
Parents





Hardware
& Software









Grandparents
Relatives
Friends
Carers

Personal use only

ersonal use only



Vivek Miranda
Investor Relations & Corporate Development
VMiranda@Spacetalkwatch.com