31 January 2018 **ASX ANNOUNCEMENT**

Company Update and Appendix 4C Quarterly Report

Quarterly Review – December 2017

- Strong operational progress, with multiple material contracts signed, boosting recurring revenue by over 26% in the 2018 calendar year and providing transaction-based revenue upside
- airBux launch remains on track for 2018, and with the new partnerships secured adding a potential 150,000 points of payment and 50,000 merchants to the airBux network

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Mobecom Limited (ASX: MBM) (**Mobecom** or the **Company**) has today released its Appendix 4C and is pleased to provide an update of its trading activities for the quarter ended 31 December 2017.

Operational Highlights

In the short time since its reinstatement to official quotation (re-admission) on 17 October 2017, Mobecom has delivered significant shareholder value, having signed multiple material contracts to significantly boost its recurring revenue in 2018 by over 26%, whilst partnerships established provide a potential network of over 150,000 payment terminals and 50,000 merchants to the airBux network.

The recently signed contracts provide strong revenue upside over the immediate to long term, with additional per-transaction fees expected to ramp up, as customers adopt and use a range of white-labelled customer loyalty apps, powered by Mobecom's airBux technology.

Major commercial deals signed during the quarter with leading companies in Singapore, South Africa and Australia, include Vodacom, NETS, Doshii, EOH and Spur Corporation and significantly advance the Company's progress towards the airBux launch, which remains on track for 2018.

Financial Overview

At 31 December 2017, the Company had cash totalling $1.8M of which $1.1M was held in a Share Offer Trust Account until 15 January 2018 when the shares subscribed for during the recent capital raise were allotted (for further detail refer to ASX announcement released on 15 January 2018).

Cash receipts from trading during the quarter were $207K and represent the Company's first quarter of sales since re-admission. Furthermore, during the quarter reporting period, the Company generated sales and submitted applications under the Federal Government's Research and Development (R&D) Tax Incentive Scheme that were approved, resulting in Debtors receivable of $891K. It is anticipated that these funds will be received in the first quarter of 2018.

Corporate Overview

<u>Successful re-admission and capital raise</u>

The Company's shares recommenced trading on the Australian Securities Exchange on 17 October 2017, following the successful $5.1 million raise and acquisition of CSB Engage Pte Ltd by Mobecom

Ltd. The offer received strong support and major investment from new and existing institutional and retail shareholders.

In December 2017, the Company raised an additional $1.2 million via a private placement to new and existing institutional investors, to support the integration and rollout of airBux technology/rollout and to deliver on the Company's recent contract wins with Vodacom, NETS and Spur Corporation.

<u>New Contracts executed since re-admission</u>

In the less than 4 months since its re-admission, Mobecom has signed major deals that will significantly boost its recurring revenues and advance the Company's progress towards the launch of airBux.

Combined, these contracts increase recurring revenue by 26% in the 2018 calendar year, and provide strong validation of Mobecom's offering and airBux strategy. The contracts have strong revenue upside potential, with additional per-transaction and per-user fees expected to flow as more users adopt and transact via Mobecom's platforms and white labelled apps.

Since re-admission, key agreements have been signed with:

- *Vodacom*: a multibillion dollar South African telco, with an existing customer loyalty base of 2 million users and approximately 71 million customers in Africa. The contract delivers significant recurring revenues starting in 2018 with significant potential for growth over the next two years. In addition to recurring license fees, Mobecom will earn per-transaction revenues as its customer loyalty platform is adopted and used by Vodacom's customers. This contract is expected to start generating recurring revenues in March 2018.

- *Spur Corporation*: a South African multi-brand restaurant franchisor, who has agreed to extend its relationship with the Company. Mobecom is now the exclusive provider of customer loyalty technology to the Spur Corporation's 590+ franchise outlets in Africa and Australia. Mobecom will be able to deliver its white-labelled mobile based loyalty and ordering solutions to a customer base of over 2 million members. Mobecom is expected to earn a 4.5% fee on all ordering revenue generated for Spur Corporation via its white labelled mobile app, in addition to generating significant recurring license fee revenue. These new recurring and transactional revenue streams are expected to start in April 2018.

In addition, Mobecom signed major technology partnership agreements in Australia, Singapore and South Africa which will significantly advance the Company's progress towards the launch of airBux in the regions where the partners operate. For further detail refer to ASX announcement released on 30 January 2018.

- *NETS*: Singapore's largest payments network provider, will make its network of over 100,000 acceptance payment points available to the airBux offering. Additionally, the partnership introduces a significant number of merchants who use NETS' payments terminals to airBux, allowing Mobecom to offer the loyalty scheme and digital airBux currency to each merchant's customers. The NETS partnership is expected to generate recurring merchant membership and per-transaction based fees for Mobecom.

- *Doshii*: A leading Australian middleware platform supplier with a network of over 13,000 acceptance payment points across Australia and South East Asia. Under the partnership with Doshii, Mobecom can leverage Doshii's existing technology, significantly reducing the time and cost for Mobecom to integrate airBux into point of sale terminals across multiple geographies, at which customers will be able to earn and spend airBux.

- *EOH*: a leading South African business solutions and technology company has agreed to resell Mobecom's suite of products, including airBux to its established base of over 5,000 clients across 50 countries. The partnership extends Mobecom's reach and will generate recurring merchant fee revenues, plus additional payments on a per-user and per-transaction basis, as EOH's customers adopt Mobecom's white labelled technology.

Board appointments

On its re-admission, a new Mobecom board was appointed, who bring a deep level of experience and expertise, and provide strong strategic direction to support the Company's strategic plans.

- *Rod Walker, Non-Executive Chairman* is an experienced ASX-Company Chairman with deep experience leading companies through major acquisitions, to deliver record results. Rod is currently Chair of Carpet Court and Angus Knight Group, and was previously the Chair of PAS Group and Godfreys.

- *R. Todd Ruppert, Non-Executive Director* is the founder and CEO of Ruppert International, a firm with diversified interests globally in various fields including education, financial services, disruptive technologies, publishing, arts and entertainment, and strategy consulting. Todd is a venture partner at Greenspring Associates, a US based venture capital firm with over $6 billion under management. Todd has 40 years of experience in the financial services industry. He retired from T. Rowe Price, a global asset management firm with over $940 billion under management, where he was CEO and president of T.Rowe Price Global Investment Services, co-president, T. Rowe Price International, and a member of the operating steering committee of the T. Rowe Price Group.

- *Neil Joseph, Executive Director* founded his first loyalty business in 2006 and has experience in finance, banking, co-branded credit and debit cards and the retail industry. A passionate customer relationship and loyalty executive, with over 22 years of industry experience.

- *David Fisher, Non-Executive Director* is an experienced executive with deep experience in listed and unlisted company management. David is a Chartered Accountant (FCA), Company Auditor, Small Managed Superannuation Funds (SMSF) Auditor and Registered Tax Agent and a member of the Australian Taxation Institution and Tax and Super Australia Association.

Waratah Gabon SA

Mobecom is in the process of winding up Waratah Gabon SA.

Outlook

In the short time since re-admission, Mobecom has delivered several material contracts and significantly advanced its plans towards the launch of airBux, which remains on track for 2018.

Discussions with a number of potential strategic airBux SPV partners continue across Singapore, South Africa and Australia, and management remains focused on signing further commercial deals to deliver strong revenue growth.

Ends.

For further information, contact:

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About Mobecom Limited

Mobecom Limited (ASX:MBM) is a full-stack customer engagement technology provider that delivers end-to-end technology solutions for businesses to engage with their customers. Its primary offering, airBux, is a digital currency platform that provides 'liquidity for loyalty' and is the Company's direct to consumer mobile application offering, with a cloud-based currency at its core. With mobile payment, ordering, booking and local offer capability; the airBux cryptocurrency will be the gateway to a new digital lifestyle rewards program.

The Company's existing B2B offering provides its blue-chip customers based in Australia, Singapore, South Africa, the UK and Europe with technology solutions, built on its airBux proprietary technology, to deliver a complete end-to-end set of customer engagement technology requirements, including both back-end (databases) and front-end technology (design, mobile applications and websites).

+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity Mobecom Limited

ABN	**Quarter ended ("current quarter")**
47 125 688 940	31 December 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	207	584
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(98)	(106)
	(c) advertising and marketing	(25)	(32)
	(d) leased assets	-	-
	(e) staff costs	(1,437)	(1,579)
	(f) administration and corporate costs	(1,770)	(1,899)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(16)	(16)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(3,139)**	**(3,048)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(30)	(30)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
	(d) intellectual property	-	-
	(e) other non-current assets (security deposits)	37	19
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other Cash and cash equivalents acquired on acquisition of Mobecom Limited	5,147	5,147
2.6	**Net cash from / (used in) investing activities**	**5,154**	**5,136**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	1,143	1,143
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	50	50
3.6	Repayment of borrowings	(1,097)	(1,097)
3.7	Transaction costs related to loans and borrowings	(355)	(355)
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	**Net cash from / (used in) financing activities**	**(259)**	**(259)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of quarter/year to date	106	33
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,139)	(3,048)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	5,154	5,136
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(259)	(259)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of quarter**	**1,862**	**1,862**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	719	106
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Cash held in Share Offer Trust Account)	1,143	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)***	**1,862**	**106**

*Note 5: In addition, the company anticipates immediate Debtors Receipts settlements of $891k plus anticipated sales to customers of $300k totalling $1,191k to add to the cash on hand.

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	300
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Total aggregate amount of payments reported in item 6.1 include payments to executive and non-executive directors of Mobecom Limited and CSB Engage Holdings which are comprised of salary, fees and superannuation.

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	Nil
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities	Nil	Nil
8.2	Credit standby arrangements	Nil	Nil
8.3	Other (please specify)	Nil	Nil

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	Estimated cash outflows for next quarter	$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	93
9.3	Advertising and marketing	26
9.4	Leased assets	3
9.5	Staff costs	907
9.6	Administration and corporate costs	743
9.7	Other (provide details if material)	-
9.8	**Total estimated cash outflows***	**1,772**

*Note 9: It is anticipated that these expected cash outflows will largely be funded by way of Debtors Receipts of $891k plus anticipated sales to customers of $300k.

10.	**Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)**	**Acquisitions**	**Disposals**
10.1	Name of entity	Not Applicable	Not Applicable
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: A Adaley .... Date: 31 January 2018
Company secretary

Print name: Anne Adaley

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.