31 October 2018 **ASX ANNOUNCEMENT**

Quarterly Review for period ended 30 September 2018

Highlights

- Spur Group: Deployment completed – revenue being generated
- Lakeba Group: airBux AirCrypto development completed
- FiiTR.me: UK launch underway and Australian Direct to Consumer launch
- Vodacom: Deployment completed – revenue being generated
- Altius: Trials complete – sales to Altius clients to commence
- Loan Facility: Negma Group Ltd agreed to loan facility of up to $2.8m
- PT Prima Kota Kencana – First Indonesian client secured.

Mobecom Limited (ASX: MBM) (Mobecom or the Group) is pleased to provide an update of its trading activities for the quarter ended 30 September 2018 and its Appendix 4C.

Operational Highlights

On 28 September 2018, Mobecom published a comprehensive update of its recent operational activities and is pleased to present the following summary. Pursuant to a very busy period deploying contracted solutions and completing challenging development work, the Company is pleased to report that its direct to consumer strategy is well developed and will start generating revenue this quarter.

These projects provide validation to the continuous improvement in the ability for Mobecom to deploy its technology across multiple geographies and to start generating revenue. The management team at Mobecom continues to seek out new opportunities and to create the foundation for the launch of its 2 Direct-to-Consumer products: FiiTR.me and airBux.

1. Spur Group

The implementation of various Spur Group projects in South Africa has been successfully completed and is generating revenue as anticipated. With these implementations, Mobecom has successfully migrated over 2 million existing membership profiles across three brands. This includes the SPUR Family card, South Africa's 7th most-used[1] loyalty program, putting it in the company of banking and retail loyalty programs operating within the country. The implementations involve the roll-out of an integrated digital and card-based loyalty solution across a number of platforms, including web, mobile and multiple point of sales vendors for each of Spur Group's brands. This integration into multiple point of sale vendors provides the ability to grow an international footprint and will be rolled out in the Australian market for two of its brands by the end of November 2018. In addition, the successful development of a new in-app and online customer digital gifting program was deployed and implemented for each brand.

Under the three-year agreement, Mobecom is the exclusive provider of mobile customer loyalty products and services for Spur's entire brand portfolio of over 590 franchise outlets across South Africa, Australia, Mauritius and 12 African countries.

Further to the terms of agreement, it is anticipated that Mobecom's mobile ordering solution will be deployed towards the end of the 2018 calendar year. It will be delivered in-app and online to Spur Group's loyalty members across all brands, earning a 4.5% fee on all ordering revenue. Non-members will also be able to use the ordering platform, further increasing Mobecom's potential revenue.

2. Lakeba Group

In June 2018, Mobecom announced it had entered into a Memorandum of Understanding with Lakeba Group Pty Limited, an Australian technology development company, for the development of a Blockchain and Cryptocurrency exchange platform, AirCrypto, for airBux. Mobecom is pleased to announce that this development has been completed and the MOU will be implemented subject to the satisfaction of various regulatory conditions.

The AirCrypto Platform will enable consumers using the airBux app to convert cryptocurrency holdings into airBux (Mobecom's digital rewards currency), which can then be spent on goods and services in-store and in-app with airBux participating merchants.

3. Direct-to-Consumer – FiiTR.me

As announced on 2 July 2018, Mobecom has recently executed agreements with Freenet Digital, a leading German mobile content provider, and with CrowdMedia (ASX: CM8), a European-based Australian ASX company.

Both agreements will work to continue expanding the subscription-based selling of FiiTR.me. It is anticipated that a weekly $5.00 per-user subscription cost will be achieved, of which Mobecom will receive up to 40% of this revenue.

CrowdMedia will start marketing FiiTR.me in the UK in November 2018 with the first revenues expected in December 2018.

Mobecom is planning to launch FiiTR.me in Australia as a direct to consumer strategy for its own account. It is expected that direct revenue will be generated during the December 2018 quarter.

4. Vodacom

Mobecom has successfully developed and deployed Phase One of a multiphase contract with Vodacom Group Limited. The associated recurring revenues to Mobecom commenced in March 2018 and have grown steadily from $300k per annum to over $600k annualised revenue since then.

As announced on 28 June 2018, Mobecom has executed and implemented a further agreement with Vodacom which represents the formalisation of Phase Two of the project between Vodacom and Mobecom. Under the agreed terms, Mobecom will provide:

- Operational management, support and customer care services to Vodacom, to facilitate the optimal functioning of the SwitchedONBenefits product and service (which was launched as part of phase one); and

- Merchant management, marketing support, affiliate sourcing and management services, to assist Vodacom with the on-selling of the SwitchedONBenefits product and services.

Mobecom will earn a monthly fee for the provision of the services. In addition to this fee, Mobecom may also be entitled to a percentage of any advertising and/or subscription revenues earned by Vodacom from the SwitchedONBenefits app.

Mobecom remains on track to secure further phases of this multi-phase agreement.

5. Altius Group

As announced in July 2018, Mobecom has completed a Memorandum of Understanding incorporating a Commercial Strategic Distribution Agreement with Altius Group, a subsidiary of AUB Group (ASX: AUB) one of Australasia's leading broking, underwriting and risk services groups.

LifeIQ, a Mobecom subsidiary, will be collaborating with Altius Group to commercialise "Altius Life" a market-first solution for life, accident and workers compensation insurers, employers and associations. The collaboration is designed to enhance Altius Group's ability to deliver evidence-based and measurable health and wellness services to their clients, claimants and employees.

The Altius Group has a large client base in Australia and following successful trials, marketing of the service commenced in Q3 of 2018.

6. **Negma Group**

To support the existing and planned growth of the Company, Negma Group Ltd has in principle agreed to provide the Company with a loan facility of up to $2,800,000. The Company is seeking shareholder approval at the Annual general Meeting to be held on 30th November 2018 to approve the issue and allotment of Convertible Notes and attaching options in the Company to Negma.

The implementation of this arrangement is also subject to the ASX and ASIC granting certain waivers to the Company. For more information, please refer to the Notice of Meeting released to ASX on 30th October 2018.

Other

A number of term sheets have been completed during the period that may result in commercial agreements. The Company's most recent client is PT Prima Kota Kencana from Indonesia. A commercial agreement was signed on 16 July 2018 to provide this Indonesian hospitality group with its own customer engagement platform including ordering using airBux technology. It is the Company's first client in Indonesia and will be managed out of the Singapore office.

Financial Overview

At 30 September 2018, the Group had cash totalling $0.486M which reflects a decrease in cash of $1.4M since the beginning of the quarter. Cash receipts from trading during the quarter were $524K.

The Company's projected cash outflows for the next quarter amounting to $1.4M as reported in Item 9 of the Appendix 4C will largely be funded by cash in bank of $486K at the end of the September 2018 quarter as well as debtors' receipts of $253K plus anticipated sales to customers of $146k and recurring sales amounting to $675K, totalling $1.074M.

In the event, that receipts from debtors are delayed or sales are lower than anticipated, the Company is able to defer certain budgeted expenditures if required.

Furthermore, on 31 October 2018, the Company obtained a Loan Facility from Marley Holdings Pty Ltd (ACN 051 913 387) for $400,000 to fund part of its working capital. For more information, please refer to the Appendix 4C.

Together with the loan facility to be provided by Negma of up to $2.8m if approved at the Annual General Meeting, the Company expects to be well positioned to meets its anticipated cash outflows and planned activities.

Outlook

As anticipated, revenue from the various commercial agreements implemented has started to grow and we anticipate continued growth from these and the direct to consumer products. Mobecom continues to focus on securing strategic partners for its airBux SPVs, ahead of a proposed launch with AirCrypto in later 2018, and Mobecom continues to progress commercial discussions with a number of parties.

Mobecom expects additional revenue inflow from recently signed customers, including PT Prima Kota Kencana in Indonesia. This additional revenue should be better reflected in Mobecom's next quarter results as the relevant contracts continue to mature.

Ends.

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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 Mobecom'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.

Mobecom'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).

Ref 1: http://truth.co.za/articles/whitepapers/south-african-loyalty-landscape-2018/

+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	30 September 2018

Consolidated statement of cash flows			**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		524	524
1.2	Payments for			
	(a)	research and development	-	-
	(b)	product manufacturing and operating costs	(79)	(79)
	(c)	advertising and marketing	(74)	(74)
	(d)	leased assets	-	-
	(e)	staff costs	(1,053)	(1,053)
	(f)	administration and corporate costs	(538)	(538)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		1	1
1.5	Interest and other costs of finance paid		(8)	(8)
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**		**(1,227)**	**(1,227)**

Consolidated statement of cash flows			Current quarter $A'000	Year to date (12 months) $A'000
2.	**Cash flows from investing activities**			
2.1	Payments to acquire:			
	(a)	property, plant and equipment	(7)	(7)
	(b)	businesses (see item 10)	-	-
	(c)	investments	-	-
	(d)	intellectual property	-	-
	(e)	other non-current assets (payments for security deposits)	-	-
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 (security deposits refunded)	-	-
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		-	-
2.6	**Net cash from / (used in) investing activities**		**(7)**	**(7)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	100	100
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	(118)	(118)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(100)	(100)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	**Net cash from / (used in) financing activities**	**(118)**	**(118)**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
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	1,838	1,838
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,227)	(1,227)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(7)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(118)	(118)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of quarter**	**486**	**486**

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	486	1,838
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Cash held in Share Offer Trust Account)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)***	**486**	**1,838**

*Note 5.5: In addition, the company anticipates the settlement of debtors outstanding at the end of the September 2018 quarter amounting to $253K plus anticipated sales to customers of $675K and recurring sales amounting to $146K in the next quarter totalling $1.074M 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	143
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 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	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

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.

Additional facilities entered into or are proposed to be entered into after quarter end are set below:

1. Negma Group Ltd (Negma) has in principal agreed to provide the Company with a loan facility of up to $2,800,000. The Company is seeking shareholder approval at the Annual General Meeting to be held on 30 November 2018 to approve the issue and allotment of Convertible Notes and attaching Options in the Company to Negma. The implementation of this arrangement is also subject to the Australian Securities and Investments Commission and the ASX granting certain waivers to the Company. (For more information, please refer Notice of Meeting released to ASX on 30 October 2018).

2. On 31 October 2018, the Company obtained a Loan Facility from Marley Holdings Pty Ltd (ACN 051 913 387) for $400,000 to fund part of its working capital. Details as follows:

- Principal: $400,000
- Interest rate: 10% per annum
- Repayment date: 31 December 2018

9.	Estimated cash outflows for next quarter	$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	25
9.3	Advertising and marketing	46
9.4	Leased assets	-
9.5	Staff costs	909
9.6	Administration and corporate costs	457
9.7	Other (Capital Raising Costs)	-
9.8	**Total estimated cash outflows***	**1,436**

Note 9: It is anticipated that these expected cash outflows will be largely funded by cash in bank of $486K together with debtors' receipts of $253K plus anticipated sales to customers of $146k and recurring sales amounting to $675K, totalling $1.074M. In the event, that receipts from debtors are delayed or sales are lower than anticipated, the Company is able to defer certain budgeted expenditures if required or may draw down on the facilities set out in Item 8.4.

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 October 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.