more people, spending more, more often

30 April 2020 **ASX ANNOUNCEMENT**

Quarterly Review for the period ended 31 March 2020

SaaS revenue up 35% on December quarter, exit from all Crypto-Currency related businesses

Highlights

- Recurring SaaS revenue from Rewards and Loyalty software up by 35% from previous quarter
- Paid By Coins business wound down during quarter and will be closed in May

Customer engagement technology provider **Mobecom Limited (ASX: MBM) ("Mobecom" or "the Company"),** is pleased to provide an update of its recent activities.

Operational Update

Encouragingly, in the March quarter we have seen a 35% lift in revenues, despite diminishing Paid by Coins revenue over the quarter. As forecast in the December 4C, cash receivables from the Nedbank project began to flow in the March quarter contributing significantly to the lift in revenues.

The March quarter has seen the Company continue to implement changes to create a more efficient and cost-effective group. We have seen product manufacturing, operational and staff costs reduced by over 20% on the previous quarter.

The increases in SaaS revenue and the continued reduction in operating costs, had the business on track to be cashflow positive in the September quarter as previously forecast. Unfortunately, as the primary business of the Company is to provide 'World class loyalty and rewards software' mainly to the telco, retail and hospitality sectors, the Company has begun experiencing a slowdown in revenue due to the COVID-19 restrictions in all the jurisdictions in which it operates. The effect this is having on revenues is still evolving. The slowdown is uneven across the client base, making it difficult to forecast revenues going forward.

$3,800 interest was paid to Lakeba Capital for interest at 10% p.a. on the $500,000 loan received during the quarter.

Outlook

We expect some of the predicted slowdown in revenues due to COVID-19 to be partially offset by growing new client revenues. It is difficult to forecast client revenues for the rest of the year until the timetable for the lifting of restrictions are clear in each jurisdiction.

The Company confirms that this announcement has been approved and authorised by its Board.

Jarrod White
Company Secretary

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 focus is providing liquidity for digital assets through its two primary offerings: airBux and Paid by Coins. airBux is a digital Enterprise Engagement Platform (EEP) that provides 'liquidity for loyalty' and is the Company's B2B2C enterprise application offering. With mobile payment, ordering, booking and local offer capability; the airBux EEP will be the gateway to delivering a new digital lifestyle rewards program.

The Company's existing B2B offering provides its blue-chip customers based in Australia, Asia and South Africa, 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 and front-end technology.

To learn more, please visit: www.mobecom.co

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

MOBECOM LIMITED

ABN	**Quarter ended ("current quarter")**
47 125 688 940	31 March 2020

Consolidated statement of cash flows			**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		1,168	3,102
1.2	Payments for			
	(a)	research and development	-	-
	(b)	product manufacturing and operating costs	(434)	(1,473)
	(c)	advertising and marketing	-	(2)
	(d)	leased assets	-	(4)
	(e)	staff costs	(559)	(1,996)
	(f)	administration and corporate costs	(800)	(2,186)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		-	-
1.5	Interest and other costs of finance paid		(102)	(293)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		-	-
1.8	Other (provide details if material)		(19)	(21)
1.9	**Net cash from / (used in) operating activities**		**(746)**	**(2,873)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire:			
	(a)	entities	-	-
	(b)	businesses	-	-
	(c)	property, plant and equipment	(4)	(4)
	(d)	investments	-	-
	(e)	intellectual property	-	-
	(f)	other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	(335)	(335)
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(339)**	**(339)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	647	1,731
3.2	Proceeds from issue of convertible debt securities	210	210
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(77)	(77)
3.5	Proceeds from borrowings	291	1,625
3.6	Repayment of borrowings	(105)	(1,220)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (transactions with non-controlling interest)	(10)	(35)
3.10	**Net cash from / (used in) financing activities**	**956**	**2,234**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	214	1,070
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(746)	(2,873)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(339)	(339)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	956	2,234
4.5	Effect of movement in exchange rates on cash held	69	62
4.6	**Cash and cash equivalents at end of period**	**154**	**154**

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	154	214
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**154**	**214**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	4
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	250	196
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	250	196

7.5	**Unused financing facilities available at quarter end**	54

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

$250,000 Unsecured loan facility from Lakeba Group at 10% maturing 31 December 2021. A further $250,000 will be made available on 1 July 2020 on the same terms, provided all resolutions are passed at the EGM proposed for June.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(746)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	154
8.3	Unused finance facilities available at quarter end (Item 7.5)	54
8.4	Total available funding (Item 8.2 + Item 8.3)	208
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	(.27)

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: The company has implemented 30% reductions in salaries for the next two quarters resulting in approximately $220,000 saving per quarter. Administration and Corporate costs are expected to be reduced by around $400,000 in the next quarter. These two cost saving measures will bring the business back to a near breakeven position.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: As outlined above we have a further $250,000 facility approved from Lakeba provided all resolutions are passed at the EGM proposed for June. We have no reason to believe all resolutions will not be passed.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: With the cost saving measures and the growing revenue streams the business should be cash flow positive in September Quarter provided revenues are not further affected by the COVID-19 lockdown measures in Australia, Singapore and South Africa.

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.

Date: 30 April 2020

Authorised by: the Board..
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.