

20 June 2018

ASX ANNOUNCEMENT

Capital Raising and strategic partnership to develop a cyptocurrency exchange platform

- Mobecom has received firm commitments to raise \$1,916,175.54 before costs via a share placement, receiving strong support.
- Memorandum of Understanding with technology company, Lakeba with respect to the development of a cryptocurrency to airBux exchange platform, the AirCrypto Platform, for Mobecom's customer loyalty platform, airBux.
- The AirCrypto Platform will provide liquidity for cryptocurrency holders, to transact using airBux in-store and in-app.
- Expands revenue opportunity to include transaction-based fees, and for increased transactions made using airBux, across a network of 150,000 payment terminals and 50,000 merchants.

Mobecom Limited (ASX: MBM) ("Mobecom" or the "Company") is pleased to announce it has received firm commitments to raise \$1,916,175.54 before costs via a share placement ("Placement") to sophisticated investors.

Funds will be used to support growth and for working capital

The Funds will be used by Mobecom for general working capital purposes and to provide continued support for the integration and rollout of the airBux technology, including programming and development costs (i.e. staffing, project management, travel and infrastructure costs associated with the integration of Mobecom's airBux technology with numerous point of sale systems owned and/or operated by Mobecom's partners in Australia, Singapore and South Africa).

Placement

Under the Placement, 8,331,198 shares will be issued at a price of \$0.23 each, representing a 1.7% discount to the 5 day volume-weighted average price (VWAP), of Mobecom's shares on 10 May 2018, pursuant to Mobecom's capacity under ASX Listing Rule 7.1.

The Placement was led by PAC Partners receiving strong support.

Subject to shareholder approval, 5,554,131 free options will also be issued to the participants under the Placement on a 2 options for each 3 shares acquired basis. Each option entitles the holder to acquire 1 share in the Company by issuing a notice to the Company at any time before the expiry of the option. The options expire on 30 June 2020 and each has a strike price of \$0.29.

The Company intends to issue a Notice of Meeting to its shareholders for a general meeting to be held in July 2018 where the Company will seek shareholder approval with respect to the issue of these options, among other things.

Investment support from Company Director David Fisher

On 28 December 2017, David Fisher stated his intention to invest \$100,000 in the Company on the terms of the capital raising announced on that day. The Company will seek shareholder approval at its upcoming general meeting for David Fisher to acquire 312,500 new shares in the Company at a price of \$0.32 per share.

Mobecom is also pleased to announce it has signed a Memorandum of Understanding (“Lakeba MoU”) with Australian technology development company, Lakeba Group Pty Limited (“Lakeba”) for the development of a blockchain and cryptocurrency exchange platform for airBux (“AirCrypto Platform”). Lakeba will initially form a 100% owned subsidiary of Lakeba (“JVCo”) in which it will develop the AirCrypto Platform, subject to the terms of the Lakeba MoU (detailed below).

AirCrypto Platform will enable cryptocurrency exchange into airBux

airBux has a modular ‘features’ capability including payments, bookings, ordering, loyalty, advertising, vouchers and coupons on a mobile platform. The AirCrypto Platform will be a new additional feature in the ‘payments’ capability of airBux, and will not be operational outside the airBux app.

The AirCrypto Platform will enable consumers using the airBux app to convert cryptocurrency holdings into airBux (Mobecom’s digital rewards currency), which airBux can then be spent on goods and services in-store and in-app across the airBux participating merchants. It is proposed that the AirCrypto Platform will operate as a gateway to the cryptocurrency market, the AirCrypto Platform will facilitate the sale of the consumers’ (i.e. a seller of) cryptocurrency in the cryptocurrency market. As part of this process, it is proposed that a buyer of the cryptocurrency would pay the relevant consideration for the cryptocurrency to JVCo, and JVCo would procure (1) the transfer of the cryptocurrency from the seller to the buyer, and (2) the issue of airBux (Mobecom’s digital rewards currency), to the corresponding seller (as consideration for the seller’s transfer of the cryptocurrency to the buyer). JVCo will keep the proceeds from the sale of the cryptocurrencies of the consumer. It is not intended for JVCo or the AirCrypto Platform to hold or own any cryptocurrencies. The AirCrypto Platform is intended to provide instant liquidity for cryptocurrency holders across the airBux network, currently represented by 150,000 payment terminals and 50,000 merchants. However, the AirCrypto Platform cannot be used and is not intended to enable consumers using the airBux app to convert their airBux holdings into cryptocurrency. The AirCrypto Platform is not intended to enable consumers using the airBux app to convert any other form of currency holdings into airBux, including for example, there will be no ability to purchase airBux using cash or credit. Further, the AirCrypto Platform will not be a critical feature of airBux and airBux will be capable of operating without this feature. It is not intended for a person to be able to access the AirCrypto Platform without having signed up/registered with airBux. This means, the AirCrypto Platform (once developed), will be operational only following the launch of airBux which Mobecom anticipates will occur by the end of this calendar year.

Mobecom will have the opportunity to test the AirCrypto Platform, and subject to its due diligence on the AirCrypto Platform and any relevant regulatory matters, Mobecom intends to acquire an interest in the AirCrypto Platform by entering into a formal joint venture with Lakeba.

Cryptocurrencies have seen a dramatic increase in popularity with everyday consumers, who are limited in the number of places cryptocurrency is accepted. Using the AirCrypto Platform, consumers will be able to convert their cryptocurrency in real time, into airBux, to purchase goods or services, and at the same time continue to earn and redeem airBux digital rewards currency.

Commercial rationale for AirCrypto Platform

Mobecom intends to charge a fee to consumers based on the value of any cryptocurrency conversions into airBux processed via airBux. The revenue will be derived by JVCo which is responsible for AirCrypto Platform, and the revenue will then be shared by Mobecom and Lakeba in accordance with their respective percentage interest in the JVCo.

A full commercial launch of airBux in 2018 is planned for Singapore, South Africa and Australia. Mobecom anticipates the AirCrypto Platform will be ready for launch within the next 6 months. The AirCrypto Platform will initially be designed to only exchange Bitcoin, Ethereum and Bitcoin cash into airBux.

Australian exchanges traded more than \$3.9 billion in cryptocurrencies last year, according to research from the Australian Digital Commerce Association (ADCA). Last year the seven largest Australian digital currency exchanges processed more than 2.7 million individual transactions from more than 300,000 traders.

Terms of the Lakeba MoU

Mobecom and Lakeba intend to enter into a formal full form agreement to capture the terms of their agreement fully, but have pursuant to the Lakeba MoU, in principal agreed as follows:

- (a) Lakeba will form a 100% owned subsidiary of Lakeba (i.e. JVCo) in which it will develop the AirCrypto Platform;
- (b) Lakeba's 'build out' period for the AirCrypto Platform is expected to be approximately 24 weeks;
- (c) assuming the build out is successful, Mobecom has the right but not the obligation to acquire an equity interest in JVCo equal to 51% of the shares in JVCo for \$1m in cash or scrip (at Mobecom's election). If Mobecom elects to issue scrip, the deemed value of each Mobecom share to be issued to Lakeba will be the lower of \$0.29 or 90% of the 10 day VWAP for Mobecom's shares at the date of issue;
- (d) If Mobecom determines to acquire an interest in JVCo, Mobecom and Lakeba will enter into a formal agreement to regulate the running and operations of JVCo, pursuant to which Lakeba will earn royalty fees equal to 50% of the gross revenue of the AirCrypto Platform once launched; and
- (e) Mobecom will have the right at any time during the 12 months after the official launch of the AirCrypto Platform to acquire the remainder of the interest in JVCo from Lakeba by issuing a notice to Lakeba along with a proposed purchase price. On service of the notice, Lakeba may elect to either sell the balance of its interest in JVCo to Mobecom in accordance with the terms of the notice, or must acquire Mobecom's interest on the same terms.

Mobecom notes that:

- Lakeba and Mobecom share two directors, Todd Rupert and Rod Walker, each of these directors holds a minor equity interest in each of Mobecom and Lakeba.
- If Mobecom elects to acquire an interest in JVCo (item (c) above), the acquisition will be subject to Mobecom obtaining shareholder approval (including for the purposes of ASX Listing Rule 7.1 and/or 10.11, as required).
- If Lakeba acquires 100% of JVCo (item (e) above), and Mobecom determines that it would still like to use the AirCrypto Platform as part of its airBux offering, it would be open to Mobecom (subject to any legal or regulatory issues), to enter into a commercial arrangement with Lakeba for the use of the AirCrypto Platform (for example via a licensing arrangement), alternatively if acceptable commercial terms could not be reached, airBux is capable of operation without the AirCrypto Platform and Mobecom could (subject to any legal or regulatory issues), source a similar technology from another supplier or if it then has the capability, build the feature internally.

Commercial rationale for Lakeba MoU

The Lakeba MoU provides Mobecom with a number of strategic advantages:

- (a) The Lakeba MoU provides Mobecom with access to a cryptocurrency exchange platform designed specifically for use in airBux without Mobecom having to outlay any initial financial resources. This means there is no financial risk to Mobecom or its shareholders during this time.
- (b) Lakeba has agreed to discuss the development of the AirCrypto Platform with Mobecom, the relevant 'Scoping Sessions' are planned to begin in the next few weeks and will allow Mobecom to provide its input with respect to the functional and technical specifications of the AirCrypto Platform.
- (c) Under the Lakeba MoU, Mobecom will have the opportunity to conduct a due diligence and tests on the AirCrypto Platform before deciding whether or not to invest in the platform. If Mobecom decides to acquire an interest in the AirCrypto Platform, it may at its choice undertake the acquisition via an issue of scrip, which would not affect/reduce the cash reserves of Mobecom, freeing funds for other purposes.

- (d) Until such time that JVCo is fully owned by Mobecom, Lakeba will continue to operate the AirCrypto Platform, allowing Mobecom to concentrate its resources on other matters.
- (e) The 24 week build time for the AirCrypto Platform provides Mobecom with ample time to consider the relevant legal and regulatory issues that may be relevant to Mobecom offering consumers with access to, or Mobecom owning an interest in the AirCrypto Platform. Mobecom's use of the AirCrypto Platform and investment in JVCo remains subject to consultation with the Australian Securities and Investments Commission, and compliance with all relevant legal and regulatory matters, including the establishment of Know Your Client and Anti-Money Laundering processes (as required).

Deferment of business acquisition

On 14 May 2018, the Company requested a voluntary suspension of its securities under ASX Listing Rule 17.2 pending an announcement with respect to a capital raising, the Lakeba MoU and the acquisition of a business. Mobecom advises that the proposed business acquisition has been deferred for the time being.

Mobecom Chief Executive Officer, Neil Joseph, states:

"We are excited to be developing a cryptocurrency solution with Lakeba, an established blockchain innovator, for our airBux offering. With more and more everyday consumers holding cryptocurrency, providing consumers with the ability to transact using cryptocurrency via our airBux app is a logical extension to our offering."

"Additionally, this provides an additional revenue stream to airBux, for which we will earn a fee based on value for each transaction processed on the AirCrypto Platform."

Lakeba Chief Executive Officer, Giuseppe Porcelli states:

"We're pleased to partner with Mobecom to develop an exciting cryptocurrency exchange for its unique airBux customer loyalty offering. The addition of AirCrypto Platform's capabilities will ensure that airBux provides leading solutions to its customers, providing the security of blockchain, and the convenience of being able to pay with cryptocurrency across a large network of payment terminals and merchants."

Ends.

For further information, contact:

Media Enquiries

Jenneth Orantia
Media and Capital Partners
M: +61 428 037 077
E: jenneth.orantia@mcpartners.com.au

Neil Joseph
Chief Executive Officer
Mobecom Ltd
M: +61 2 9922 6988
E:
neil.joseph@mobecom.co

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 loyalty rewards 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).

For more information, please visit www.mobecom.co

About Lakeba Group Pty Limited

Operating since 2013, Lakeba is an established technology innovator with extensive experience delivering solutions that incorporate latest technologies such as AI, Mixed Reality and blockchain. The company is headquartered in Manly, Sydney, NSW, with offices in Europe, UK, USA, India and Singapore. Through their unique business platform Lakeba rapidly creates, builds and scales new products and services to drive value for businesses and communities across the globe.

The company has taken a first mover advantage, rapidly expanding its blockchain capabilities and engaging with industry to drive the opportunities inherent in this new technology. Lakeba and Mobecom share two directors, Todd Rupert and Rod Walker, each of these directors hold minority equity interest in each of Mobecom and Lakeba.

For more information, please visit <http://www.lakeba.com>