

30 July 2020

ASX ANNOUNCEMENT

## Quarterly Review for the period ended 30 June 2020

**Over 70% reduction in cash burn Quarter on Quarter despite effects of COVID-19**

### Highlights

- Continued recurring SaaS revenue growth from telco, financial services and healthcare clients
- Conversely, revenue from hospitality and retail clients severely impacted by COVID-19 restrictions
- The Company could have been cash-flow positive ahead of previous forecasts if not for effects of COVID-19 during the quarter
- Cash burn down from \$746,000 in March to \$198,000 in June

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

### Operational Update

Restaurant and retail store closures during the June quarter as a result of COVID-19 restrictions, lead to revenues from our hospitality and retail clients being down by over 50%. This resulted in a quarterly reduction in revenue of approximately \$350,000 from this sector. This was partially offset by growing revenues from our telco, financial services and healthcare clients and, from clients using our on-line ordering functionality.

Further, the June quarter saw a continued reduction in operating costs, with administration and corporate costs reduced by around 80% quarter on quarter.

In April, the company announced that the increases in forecast SaaS revenue and the continued reduction in operating costs would have seen the business on track to be cashflow positive by the September quarter. Despite the loss of approximately \$350,000 of revenue from our hospitality and retail clients, the Company has achieved a reduction in the quarterly cash burn from \$746,000 in the March quarter to \$198,000 for the June quarter, indicating the Company was on track to achieve or exceed its previous forecasts prior to the onset of COVID-19.

### Outlook

Over the next quarter we expect to see continued revenue growth from the telco, financial services and healthcare sectors and slow recovery in revenues from the hospitality and retail sectors. However, it continues to be difficult to forecast client revenues for the rest of the year as circumstances continue to change in each of the jurisdictions in which we operate.

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

**Jarrold White**  
**Company Secretary**

**For further information, contact:**

**Enquiries:**

Iain Dunstan  
Executive Chairman  
Mobecom Ltd  
E: [i.dunstan@mobecom.co](mailto:i.dunstan@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 focus is providing liquidity for digital assets through its newly developed Mosaic Enterprise Engagement Platform. With mobile payment, ordering, booking and local offer capability; the Mosaic EEP will be the gateway to delivering a new digital lifestyle rewards program.

To learn more, please visit: [www.mobecom.co](http://www.mobecom.co)

## Appendix 4C

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

**Name of entity**

MOBECOM LIMITED

**ABN**

47 125 688 940

**Quarter ended ("current quarter")**

30 June 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	889	3,991
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(518)	(1,991)
(c) advertising and marketing	(1)	(3)
(d) leased assets	-	(4)
(e) staff costs	(351)	(2,347)
(f) administration and corporate costs	(124)	(2,310)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(56)	(349)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(37)	(58)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(198)</b>	<b>(3,071)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(4)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(339)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	89	1,820
3.2	Proceeds from issue of convertible debt securities	-	210
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(77)
3.5	Proceeds from borrowings	261	1,886
3.6	Repayment of borrowings	-	(1,220)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (transactions with non-controlling interest)	-	(35)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>350</b>	<b>2,584</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	154	1,070
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(198)	(3,071)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(339)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	350	2,584
4.5	Effect of movement in exchange rates on cash held	(238)	(176)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>68</b>	<b>68</b>

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	68	154
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>68</b>	<b>154</b>

**6. Payments to related parties of the entity and their associates**

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

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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.*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	620	250
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	620	250

7.5 **Unused financing facilities available at quarter end** 370

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.

\$500,000 Unsecured loan facility from Lakeba Group at 10% maturing 31 December 2021 plus a \$120,000 unsecured loan note at 6% interest maturing 30 November 2020.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(198)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	68
8.3 Unused finance facilities available at quarter end (Item 7.5)	370
8.4 Total available funding (Item 8.2 + Item 8.3)	438
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	2

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

- 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: N/A

- 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: N/A

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: N/A

### 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 July 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.