

**MOBECOM LIMITED
AND ITS CONTROLLED ENTITIES**

ABN: 47 125 688 940

**ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

CORPORATE DIRECTORY

DIRECTORS

Iain Dunstan
Executive Chairman

Dr Alberto Basile
Non-Executive Director

Christopher Joseph
Executive Director

Company Secretary

Jarrold White

Registered Office

Suite 305, Level 3
35 Lime Street
Sydney NSW 2000

Principal Place of Business

Level 2
25 Cooper Street
Surry Hills NSW 2010
T: +61 2 9922 6988
W: www.mobecom.co

Auditor

MNSA Pty Ltd
Level 1, 283 George St,
Sydney NSW 2000
T: +61 2 9299 0901

Share Register

Boardroom Pty Ltd
Level 12, 225 George Street
Sydney NSW 2000
T: 1300 737 760
F: +61 2 9279 0664

Securities Exchange Listing

Australian Securities Exchange
(Home Exchange: Sydney, NSW)
ASX Code: MBM

Banks

National Australia Bank Ltd
255 George Street
Sydney NSW 2000

ANZ Bank
116 Miller St,
North Sydney NSW 2060

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The Directors of Mobecom Limited ("Mobecom" and/or "the Company") present their Report together with the financial statements of the consolidated entity, being Mobecom Limited and its controlled entities (the "Mobecom Group" or "the Group"), for the year ended 30 June 2020.

DIRECTORS

The following persons held office as Directors of Mobecom Limited during or since the end of the reporting period and up to the date of this report:

Iain Dunstan

Executive Chairman and Chief Executive Officer

Date of appointment: 17 April 2020

Expertise and Experience

Iain Dunstan has held senior management positions in technology companies for over 30 years, including an extensive listed company and M&A background. Iain was appointed to the role of Executive Chairman in April 2020. Iain was previously the CEO of ASX-listed companies Incentiapay Limited and Rubik Financial Limited. Prior to that he was the founder and CEO of ASX listed Bravura Solutions where he grew the business from zero to 700 employees operating in 9 countries.

He is a former Ernst & Young Entrepreneur of the Year winner in the Technology, Communications, e-Commerce, and Life Sciences Category.

He has a Master's degree in Commercial Law from Macquarie University and an MBA from Macquarie Graduate School of Management. He is also a Graduate Member of the Australian Institute of Company Directors.

Special Responsibilities

Chief Executive Officer

Other current directorships in listed entities

Nil

Former directorships in listed entities in the last 3 years

Incentiapay Limited

Interest in Shares and Options

7,930,912 options

Dr Alberto Basile

Non-Executive Director

Date of appointment: 9 April 2020

Expertise and Experience

Dr Basile has a background in Finance, Risk Oversight and Project Management in Australia, China and Europe. Alberto moved into Finance and Risk Oversight in Australia with National Australia Bank for 9 years. As Head of Finance and advisor of the Board Dr Basile assisted a commercial property business and provided oversight on a relevant portfolio of regional shopping centres in NSW and then moved into a number of AMLCTF Compliance Officer and Chief Risk Officer roles.

Alberto has a PhD in Mathematics from the Australia National University with an Honour Degree in Mathematics at the University of Padua – Italy.

Special Responsibilities

Nil

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS (CONTINUED)

Other current directorships in listed entities

Nil

Former directorships in listed entities in the last 3 years

Nil

Interest in Shares and Options

Nil.

Christopher Joseph

Executive Director

Date of appointment: 6 April 2020

Expertise and Experience

Christopher Joseph holds a Bachelor of Commerce. Mr Joseph has more than 20 years' experience in senior management across the banking, financial services, food and beverage industries, customer relationship management and loyalty industries.

Special Responsibilities

Nil

Other current directorships in listed entities

Nil

Former directorships in listed entities in the last 3 years

Nil

Interest in Shares and Options

9,669,763 Shares and 1,528,415 options

Rodney Walker

Non-Executive Chairman

Date of appointment: 11 October 2017

Date of resignation: 30 January 2020

Expertise and Experience

Rod Walker is an experienced Chief Executive Officer, Director and Chairman of proven capability, having led several companies through initial public offerings, major acquisitions, mergers and to record results, whilst also working with the Chief Executive Officers on their personal development.

Special Responsibilities

Rod Walker is Chairman of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.

Other current directorships in listed entities

- Carpet Court Australia Limited (an unlisted public company)

Former directorships in listed entities in the last 3 years

Former board appointments include:

- Chairman and non-executive director roles on the boards of Godfreys Group Limited and The PAS Group Limited

Interest in Shares and Options

1,000,000 fully paid ordinary shares held directly and 1,241,118 fully paid ordinary shares and 266,666 options held indirectly in Mobecom as at date of resignation.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS (CONTINUED)

David Fisher

Non-Executive Director

Date of appointment: 11 October 2017. Date of resignation: 3 April 2020

Date of appointment: 31 October 2019 as Interim Company Secretary. Date of resignation: 31 January 2020.

Date of appointment: 31 January 2020 as Interim Acting Chairman. Date of resignation: 9 March 2020

Expertise and Experience

David Fisher (Fellow of Chartered Accountants Australia and New Zealand) was an experienced qualified Chartered Accountant with over 35 years business experience. David had been in public practice since 1983, and his experience includes advising on all aspects of business to small and medium enterprises as well as providing secretarial and other regulatory advisory services to public, private and other corporate entities.

David was Corporate Secretary of the Austcorp International Limited group of companies as well as that of Austcorp Funds Management Limited which acted as trustee of the Austcorp Towers Trust, an entity listed on the Australian Securities Exchange in 2005 (and delisted in 2009). David was also a Registered Company Auditor and has acted as an advisor to audit and risk committees during his tenure in public practice.

Special Responsibilities

David Fisher was Chairman of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

Other current directorships in listed entities

Nil

Former directorships in listed entities in the last 3 years

Nil

Interest in Shares and Options

624,621 fully paid ordinary shares held directly in Mobecom as at the date of resignation.

Todd Ruppert

Non-Executive Director

Date of appointment: 11 October 2017

Date of resignation: 3 March 2020

Expertise and Experience

Todd Ruppert 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 \$7.0 billion under management. Todd has 40 years of experience in the financial services industry. He retired from T. Rowe Price, the global asset management firm with over \$1.0 trillion under management, where he was CEO and president of T. Rowe Price Global Investment Services, Co-president of T. Rowe Price International, and a member of the operating steering committee of the T. Rowe Price Group.

Special Responsibilities

Todd Ruppert was a member of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.

Other current directorships in listed entities

Nil

Former directorships in listed entities in the last 3 years

Nil

Interest in Shares and Options

2,500,000 fully paid ordinary shares held directly in Mobecom as at the date of resignation.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS (CONTINUED)

Giuseppe Porcelli

Non-Executive Director

Date of appointment: 3 April 2019

Date of resignation: 20 December 2019

Expertise and Experience Giuseppe Porcelli is the driving force and visionary behind the Lakeba Group. In his position as CEO and founder, he is recognised for his role in driving awareness and industry adoption in the transformational emerging technology sphere including AI, Machine Learning, Blockchain and Quantum Computing. As the architect of Lakeba Group's unique business platform of conceive, create and commercialise, Lakeba's focus is driven by the rapid commercialisation of technology solutions delivering impact for businesses and communities.

Giuseppe is acknowledged internationally for his reputation as a leading entrepreneurial technology innovator.

Prior to moving to Australia with his family, Giuseppe had built a number of highly successful technology businesses in Italy, and in 2008 was awarded the highest Italian business honour by the Italian Prime Minister for his global business success. He holds a Master of Computer Applications (MCA) and Master of Business Administration (MBA) from Università degli Studi di Napoli Federico II in Italy.

In 2018, Giuseppe was nominated for the CEO of the Year Award by CEO Magazine in 2018 and is a Fellow of ADCA.

Special Responsibilities

Giuseppe Porcelli was Chief Strategy Officer of the Mobecom Group.

Other current directorships in listed entities

Nil

Former directorships in listed entities in the last 3 years

Nil

Interest in Shares and Options

45,353,596 fully paid ordinary shares held indirectly in Mobecom as at the date of resignation.

Neil Joseph

Executive Director

Date of appointment: 11 October 2017

Date of resignation: 15 October 2019

Expertise and Experience

Neil Joseph (Bachelor of Commerce, Chartered Management Accountant) is the founder of CSB Engage Pte Ltd. He has extensive management, executive, financial and administrative experience spanning a wide range of industries including financial services, manufacturing, mail order, retail and loyalty. Neil completed a Bachelor of Commerce degree and is a qualified Cost and Management Accountant. Neil is highly respected in the industry and has published a number of articles on loyalty marketing, as well as collaborated on White Papers with the Association for Data-driven Marketing and Advertising.

Other current directorships in listed entities

Nil

Former directorships in listed entities in the last 3 years

Nil

Interest in Shares and Options

415,562 fully paid ordinary shares held directly and 27,358,272 fully paid ordinary shares held indirectly in Mobecom as at the date of resignation.

1,931,545 unlisted options over ordinary shares held directly in Mobecom as at the date of resignation.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS (CONTINUED)

Alex Berger

Non-Executive Director

Date of appointment: 28 January 2020. Date of resignation: 17 April 2020

Date of appointment: 9 March 2020 as Executive Chairman. Date of resignation: 17 April 2020

Expertise and Experience

Alex Berger joins the Board of Mobecom with a background in investment banking both in Australia and South Africa. He began his career in structured and project finance at Barclays and then with Standard Bank in South Africa, Alex then moved to Elders Resources in Australia. Post Elders, Alex spearheaded private asset development enterprises that originated, capitalized and delivered major projects and project activities in both the African and Asia Pacific regions.

Alex has a Bachelor of Arts degree at the University of South Africa and a Master of Business Administration degree at University of the Witwatersrand, Johannesburg, South Africa.

Other current directorships in listed entities

Nil

Former directorships in listed entities in the last 3 years

Nil

Interest in Shares and Options

Nil

Frederick Kempson

Non-Executive Director

Date of appointment: 3 March 2020

Date of resignation: 9 April 2020

Expertise and Experience

Frederick Kempson has a B.Com (Economics) from UNSW and has over his career held senior banking and financing positions including the role of Managing Director of Australian Investment Finance Limited, a consortium investment bank whose shareholders included ANZ, Bank of Montreal, Irving Trust and Mitsubishi.

Subsequently Mr Kempson became the CEO of Security Pacific Limited where he oversaw the acquisition of Kleinwort Benson Australia, and notably Security Pacific's acquisition of the London broker Hoare Govett where he was involved as a committee member of the coordination of the stockbroking investments and the completion of the first Australian dollar denominated bank Euro bond raising.

During this time Mr Kempson established Fulcrum Capital which was a leveraged buyout fund whose first transaction was a North America asset of CSR and the second was the purchase of NBN Channel 3 in Newcastle. Mr Kempson assumed the Chairmanship of NBN then oversaw the sale of its non-core assets and eventually negotiated NBN's sale to WH Soul Pattinson.

Following the global sale of Security Pacific to Bank of America (BoA) Mr Kempson was appointed as the Australian Representative of Bank of New York's Swiss Private Bank BNY IMB HQ in Geneva.

He has since worked with and represented many family officers and now joins Mobecom Limited as an Independent Non-Executive Director.

Other current directorships in listed entities

- Victor Group Holdings Limited
- HRL Holdings Limited
- Umami Seafood, Inc (US Listed)
- AHA Retail Partners PLC (was AHA Life Limited).

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

Former directorships in listed entities in the last 3 years

Nil

Interest in Shares and Options

Nil

COMPANY SECRETARY

Jarrold White

Date of appointment: 31 January 2020.

Jarrold White is a Chartered Accountant and founding Director of Traverse Accountants Pty Ltd, a Corporate Advisory and Chartered Accounting Firm based in Sydney.

In conjunction with his Corporate Advisory roles at Traverse, Mr White has been appointed Company Secretary and Chief Financial Officer of several other listed entities that operate on the Australian Securities Exchange and London Stock Exchange and has a sound knowledge of corporate governance and compliance.

Mr White has also been an advisor to a wide range of capital raisings, IPO's and reverse takeover transactions and has a focus on working with growing Companies in the exploration, technology and biotech space.

David Fisher

Date of appointment: 31 October 2019

Date of resignation 31 January 2020

David Fisher (Fellow of Chartered Accountants Australia and New Zealand) was an experienced qualified Chartered Accountant with over 35 years business experience. David had been in public practice since 1983, and his experience included advising on all aspects of business to small and medium enterprises as well as providing secretarial and other regulatory advisory services to public, private and other corporate entities.

David was Corporate Secretary of the Austcorp International Limited group of companies as well as that of Austcorp Funds Management Limited which acted as trustee of the Austcorp Towers Trust, an entity listed on the Australian Securities Exchange in 2005 (and delisted in 2009). David was also a Registered Company Auditor and had acted as an advisor to audit and risk committees during his tenure in public practice.

Anne Adaley

Date of appointment: 15 February 2013

Date of resignation: 31 October 2019

Anne Adaley is a qualified accountant and has had more than a decade of experience as Company Secretary for several listed public companies. Anne is principal of Australian Mining Corporate and Administrative Services Pty Ltd ("AMCAS") which provides Chief Financial Officer and Company Secretarial functions and support including accounting, financial management and administrative services on a consulting basis to public listed and private companies as well as unlisted and pre-IPO companies.

Anne has extensive experience in the resources sector, having held senior management roles with a number of listed public Australian exploration and mining companies over the last 25 years. Anne has served as Chief Financial Officer and Company Secretary to Alice Queen Limited, Global Fortune Investment Limited, Tellus Resources Ltd and Monaro Mining NL, Company Secretary to Gulf Industrials Limited, Chief Financial Officer to Tectonic Gold Plc and Estrella Resources Ltd, Finance and Administration Manager to Climax Mining Limited and Company Secretary and Group Financial Controller to Gympie Gold Limited.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

PRINCIPAL ACTIVITIES

The principal activities of the Group during the reporting period were:

- (i) providing customer engagement technology that delivers end-to-end technology solutions for businesses to engage with their customers. Its primary offering, Mosaic, is a cloud-based digital loyalty and rewards platform and is Mobecom's business to business application offering. With mobile payment, ordering, booking and local offer capability, the Mosaic platform will be the gateway to new digital lifestyle rewards programs.
- (ii) supplying B2B technology solutions to clients, built on its Mosaic 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).

DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Corporate activities

Nedbank

On the 30th October 2019 Mobecom completed all the conditions precedent and signed a significant new Master Services Agreement (MSA) with Nedbank Limited (Nedbank), a leading South African Bank, for the provision of its airBux™ (now Mosaic) Enterprise Engagement Platform. The MSA continues indefinitely with a minimum 90-day notice period. It is intended there will be multiple Transaction Documents, with each document for an initial 12 months with further 12-month options to extend. The MSA and associated Transaction Documents will allow Nedbank to integrate the Mosaic Platform with their corporate mobile and desktop applications enabling them to launch a new and upgraded loyalty and rewards programs to its substantial customer base.

This contract vindicates the pivot from providing loyalty and rewards software directly to consumers, to now providing the similar functionality to major enterprise clients. The initial phase of this project will be rolled out over the next 18 months and will provide additional new recurring SaaS revenues, whilst accelerating the development of the Mosaic Platform.

The project will deliver development and SaaS licence revenues of several hundred thousand dollars in FY21, which will grow over time, as new development work is undertaken, and new Nedbank customers subscribe to the new platform.

Vodacom

Following the commercial agreement executed with Vodacom Group Limited in December 2017, Mobecom executed an expansion of this initial agreement on 15th June 2020. Vodacom has agreed to develop a new Enterprise extension, for their 'Switched On Benefits' (SOB) platform. This will allow Vodacom to serve up deals and offers to a greater audience, encapsulating merchants and allowing partners to view deals and promotions via event driven MicroService APIs. All of this technology will be underpinned by Mobecom's newly developed 'Mosaic' Enterprise Engagement Platform (EEP).

Currently SOB has approximately 1 million monthly paying subscribers and 4 million 'freemium' subscribers. This new enterprise play for Vodacom will result in a significant increase in the number of paying monthly subscribers within the SOB platform which in turn will result in a significant increase in the monthly SaaS revenues generated for Mobecom. It will also allow for additional revenue streams, depending on the partner that SOB and Mobecom sign up to access the SOB enterprise platform.

This commercial extension provides further strong validation of Mobecom's digital and enterprise customer engagement platform and technology.

COVID-19 Impact

The Company has been impacted by the COVID-19 pandemic. While there has been a revenue impact, the Company is satisfied with its efforts of cost-reduction to mitigate the impact. The Company is currently seeing a recovery from the pandemic and is well-positioned to continue with its growth strategy and investment.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

REVIEW OF OPERATIONS AND FINANCIAL RESULTS (CONTINUED)

Financial Review

Summary of the Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$
Revenue from continuing operations and other revenue	3,859,537	4,487,070
Loss before taxation	(8,888,999)	(7,415,264)
Non-recurring expenditure	6,203,995	1,000,000
Share based payments	-	1,735,679
Loss before taxation and non-recurring expenditure	(2,685,004)	(4,679,585)

Revenue from continuing operations and other revenue for the year ended 30 June 2020 was \$3,859,537 (30 June 2019: \$4,487,070) representing a 14% decrease over the prior comparative period.

The loss for the Group before providing for income tax amounted to \$8,888,999 (2019: Loss \$7,415,264). Non-recurring expenditure for the year ended 30 June 2020 totalling \$6,203,995 represents the impairment of intangibles (2019: \$1,000,000 represents the impairment of capitalised development costs) and share based payments for the year ended 30 June 2020 was \$Nil (2019: \$1,735,679).-

Trade and other receivables for the year ended 30 June 2020 amounted to \$730,640 (2019: \$1,443,658).

CHANGES IN STATE OF AFFAIRS

Other than as stated elsewhere in this report, Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years.

FUTURE DEVELOPMENTS AND BUSINESS STRATEGIES

Mobecom's existing business model comprises three major revenue streams:

- (i) a one-off license, setup and implementation fee (for highly bespoke solutions, a development and customisation fee is also charged);
- (ii) annuity / recurring / SaaS fees – these include number of options, such as group monthly management fees, transaction fees, membership fees, and/ or a fee per outlet; and
- (iii) ad hoc revenue streams, which includes voucher issue or redemption fees, rentals, program administration and services fees.

Mobecom's strategy is to grow its business and revenues by engaging in 'B2B2C' relationships with selected strategic partners in the direct to consumer market. This transition will seek to exploit the potential growth prospects available from the development of mobile applications, namely Mosaic, that allow Mobecom to communicate and transact with businesses which deal directly with consumers.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

EVENTS AFTER THE REPORTING PERIOD

Since the end of the reporting period, the following events occurred:

- On 20 July 2020, the Company issued 2,625,000 shares upon conversion of 1,050,000 convertible notes;
- On 30 July 2020, the Company issued 2,400,000 shares upon conversion of options;
- On 17 August 2020, the Company announced the appointment of Novus Capital Limited as financial advisor to work to find solutions for debt restructuring and capital raising;
- On 7 September 2020, the Company issued 36,119,608 shares to settle loans made to the Company by third parties;
- On 8 September 2020, the Company issued 524,994 shares to settle loans made to the Company by third parties;
- On 11 September 2020, the Company announced its intention to reverse the AirCrypto transaction upon shareholder approval at an upcoming General Meeting;
- On 28 October 2020, the Company called an Extraordinary General Meeting to reverse the AirCrypto transaction and to approve measures to provide more optionality for capital raising and debt reduction;
- On 30 October 2020, the Company announced a Deed of Settlement and Release from debts owed to Lakeba; and
- The Company is currently under a Placement Holiday with the date of termination of the Holiday to be determined with ASX.

Other than as stated elsewhere in this report, the Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years

ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental regulation under the Australian Commonwealth or State law or in any other jurisdiction where it operates.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

REMUNERATION REPORT – AUDITED

This report details the nature and amount of each element of the emoluments of the key management personnel of the Group.

Remuneration policy

The remuneration policy of the Group has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between Directors, Executives and Shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation and fringe benefits.
- The Board will review key management personnel packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry.

Options may be issued to Directors to provide a mechanism to participate in the future development of the Group and an incentive for their future involvement with and commitment to the Group.

Key management personnel receive a superannuation guarantee contribution (where applicable) as required if applicable and do not receive any other retirement benefits. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the Group and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management personnel. Options are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Group and are able to participate in the employee option plan.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

REMUNERATION REPORT – AUDITED (CONTINUED)

Remuneration policy (continued)

Names and positions held by Key Management Personnel in office at any time during the financial year are:

DIRECTORS

I Dunstan	Executive Chairman (appointed 17 April 2020)
A Basile	Non-Executive Director (appointed 9 April 2020)
C Joseph	Executive Director (appointed 9 April 2020)
R Walker	Non-Executive Chairman (appointed 11 October 2017, resigned 30 January 2020)
D Fisher	Non-Executive Director (appointed 11 October 2017, resigned 3 April 2020)
T Ruppert	Non-Executive Director (appointed 11 October 2017, resigned 3 March 2020)
G Porcelli	Non-Executive Director (appointed 3 April 2019, resigned: 20 December 2019)
N Joseph	Managing Director and Chief Executive Officer (appointed 11 October 2017, resigned 11 June 2019) Executive Director (appointed 11 June 2019, resigned 15 October 2019)
A Berger	Non-Executive Director (appointed 28 January 2020, resigned: 17 April 2020)
F Kempson	Non-Executive Director (appointed 3 March 2020, resigned: 9 April 2020)

OTHER KEY MANAGEMENT PERSONNEL

C Joseph	Director Africa Region
W Pitcher	Director Asia Division (resigned 31 July 2019)
S Smith	Director Mobile Division (resigned 27 April 2020)

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

REMUNERATION REPORT – AUDITED (CONTINUED)

Remuneration agreements

KEY MANAGEMENT PERSONNEL	POSITION	DATE APPOINTED	DATE RESIGNED	CONTRACT DETAILS (DURATION & TERMINATION NOTICE PERIOD)	PROPORTION OF ELEMENTS OF REMUNERATION RELATED TO PERFORMANCE			PROPORTION OF ELEMENTS OF REMUNERATION NOT RELATED TO PERFORMANCE		TOTAL
					Non-Salary cash-based incentives	Shares	Options /Rights	Shares	Fixed salary /Fees	
					%	%	%	%	%	%
DIRECTORS										
I Dunstan	Executive Chairman	17 Apr 2020		No fixed term	-	-	-	-	100	100
A Basile	Non-Executive Director	9 Apr 2020		Annual review	-	-	-	-	100	100
C Joseph	a) Director Africa Division	11 Oct 2017		5 years contract with 2-year automatic renewal, 12 weeks' notice period.	-	-	8	-	92	100
	b) Executive Director	9 Apr 2020								
A Berger	Non-Executive Director	28 Jan 2020	17 Apr 2020	No fixed term	-	-	-	-	100	100
F Kempson	Non-Executive Director	3 Mar 2020	9 Apr 2020	No fixed term	-	-	-	-	100	100
R Walker	Non-Executive Chairman	11 Oct 2017	31 Jan 2020	No fixed term	-	-	-	-	100	100
N Joseph	a) Managing Director & CEO	a) 11 Oct 2017	11 Jun 2019	5 years contract with 2-year automatic renewal, 4 weeks' notice period.	-	-	3	-	97	100
	b) Executive Director	b) 11 June 2019	15 Oct 2019							
D Fisher	Non-Executive Director	11 Oct 2017	9 Apr 2020	No fixed term	-	-	18	-	82	100
T Ruppert	Non-Executive Director	11 Oct 2017	3 Mar 2020	No fixed term	-	-	-	-	100	100
G Porcelli	Non-Executive Director and Chief Strategy Officer	a) 3 Apr 2019 b) 1 Feb 2019	20 Dec 2019	No fixed term	-	-	4	-	96	100
OTHER KEY MANAGEMENT PERSONNEL										
W Pitcher	Director Asia Division	11 Oct 2017	31 July 2019	No fixed term	-	-	16	-	84	100

S Smith	Director Mobile Division	11 Oct 2017	27 April 2020	5 years contract with 2-year automatic renewal, 12 weeks' notice period.	-	-	63	-	37	100
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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

REMUNERATION REPORT – AUDITED (CONTINUED)

a) Key Management Personnel Remuneration

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Group for the year ended 30 June 2020 are set out in the following table:

NAME	SHORT-TERM BENEFITS	SHARE BASED PAYMENTS	POST-EMPLOYMENT BENEFITS	TOTAL
	SALARY & FEES ¹ \$	OPTIONS \$	SUPERANNUATION ² \$	\$
DIRECTORS				
I Dunstan	36,511	-	3,469	39,980
A Basile	11,067	-	-	11,067
C Joseph	230,998	-	-	230,998
A Berger ³	28,500	-	-	28,500
F Kempson ³	5,000	-	-	5,000
R Walker ³	58,064	-	5,516	63,580
N Joseph ³	76,487	-	4,130	80,617
D Fisher ³	45,500	-	4,323	49,823
T Ruppert ³	44,322	-	-	44,322
G Porcelli ³	123,710	-	11,752	135,462
OTHER KEY MANAGEMENT PERSONNEL				
P Pitcher ³	127,014	-	-	127,014
S Smith ³	220,000	-	20,900	240,900
Total	1,007,173	-	50,090	1,057,263

1. Salary and fees represent fees paid or payable to directors and executives at the end of the reporting period.
2. Superannuation paid or payable to directors and executives at the end of the reporting period.
3. Payments paid or payable until time of resignation as noted in the Directors' Report.

Performance income as a proportion of total income

No bonuses were paid to Key Management Personnel during the 2020 financial year.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

REMUNERATION REPORT – AUDITED (CONTINUED)

a) Key Management Personnel Remuneration (continued)

Details of the nature and amount of each element of the emoluments of each of the key management personnel for the comparative period ended 30 June 2019 are set out in the following tables:

NAME	SHORT-TERM BENEFITS	SHARE BASED PAYMENTS	POST-EMPLOYMENT BENEFITS	TOTAL
	SALARY & FEES ¹ \$	OPTIONS \$	SUPERANNUATION \$	\$
DIRECTORS				
R Walker	100,000	-	9,500	109,500
N Joseph ⁶	287,500	8,334	27,312	323,146
D Fisher	60,000	14,177	5,700	79,877
T Ruppert ²	65,700	-	-	65,700
G Porcelli ³	98,333	4,459	9,342	112,134
OTHER KEY MANAGEMENT PERSONNEL				
C Joseph	231,644	21,287	-	252,931
P Pitcher	127,014	24,023	-	151,037
S Smith ⁴	220,000	418,312	20,900	659,212
A Sonnenberg ⁵	315,721	24,344	23,312	363,377
Total	1,505,912	514,936	96,066	2,116,914

- Salary and fees represent fees paid or payable to directors and executives at the end of the reporting period.
- T Ruppert: Total remuneration of \$65,700 includes directors' fees paid or payable for the year ended 30 June 2019. Directors fees are paid or payable to Ruppert International Inc, a company in which Mr Ruppert has an interest.
- G Porcelli (resigned: 20 December 2019): Total salary and fees of \$98,333 is comprised of:
 - directors' fees paid or payable for the period 3 April 2019 to 30 June 2019 amounting to \$83,333; and
 - \$15,000 for executive services as Chief Executive Officer paid or payable for the period 1 February 2019 to 30 June 2019.
- S Smith: Total remuneration of \$659,212 includes the fair value of 2,400,000 unlisted options over ordinary shares issued to Mr Smith under the Company's Incentive Option Plan for \$Nil consideration. The options vested immediately and are exercisable on or before 22 August 2019. These Options have a fair value at date of grant of \$0.1606 per option amounting to \$385,320 in total which was expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019.
- A Sonnenberg: Total remuneration of \$363,377 includes salary and superannuation paid or payable for the period 1 July 2018 to 12 May 2019.
- N Joseph: Salary of \$287,500 and superannuation of \$27,312 is based on an annual salary of \$300,000 per annum plus superannuation guarantee charge (SGC) for the period 1 July 2018 to 31 May 2019 and an annual salary of \$150,000 per annum plus SGC for the month of June 2019 following an internal review in June 2019.

Performance income as a proportion of total income

No bonuses were paid to Key Management Personnel during the 2020 financial year. Options were issued as noted in the Remuneration Agreements section above.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

REMUNERATION REPORT – AUDITED (CONTINUED)

b) Options issued as part of remuneration

The number of options over ordinary shares granted as compensation to Key Management Personnel during the reporting period and during the 2020 comparative period are set out below

2020	BALANCE 1 JULY 2019	GRANTED AS REMUNERATION	BALANCE 30 June 2020
DIRECTORS			
I Dunstan	7,930,912	-	7,930,912
A Basile	-	-	-
R Walker	266,666	-	266,666
F Kempson	-	-	-
C Joseph	1,528,415	-	1,528,415
A Berger	-	-	-
N Joseph	1,931,545	-	1,931,545
D Fisher	400,000	-	400,000
T Ruppert	-	-	-
G Porcelli	1,600,000	-	1,600,000
OTHER KEY MANAGEMENT PERSONNEL			
P Pitcher	218,273	-	218,273
S Smith	4,034,761	-	4,034,761
A Sonnenberg	1,556,182	-	1,556,182
Total	19,466,754	-	19,466,754

2019	BALANCE 1 JULY 2018	GRANTED AS REMUNERATION	BALANCE 30 JUNE 2019
DIRECTORS			
R Walker	-	-	-
N Joseph ¹	1,695,000	236,545	1,931,545
D Fisher ¹	-	400,000	400,000
T Ruppert	-	-	-
G Porcelli ²	-	1,600,000	1,600,000
OTHER KEY MANAGEMENT PERSONNEL			
C Joseph	1,528,415	-	1,528,415
P Pitcher	218,273	-	218,273
S Smith ³	1,634,761	2,400,000	4,034,761
A Sonnenberg	1,556,182	-	1,556,182
Total	6,632,631	4,636,545	11,269,176

1. On 17 December 2018, 636,545 unlisted options over ordinary shares were granted to Key Management Personnel as part of compensation under the Company's Incentive Option Plan (refer to ASX Release on 16 October 2017 for a copy of the Company's Incentive Option Plan) as approved by Shareholders at the Annual General Meeting held on 30 November 2018. There are no performance conditions. All options issued under the Company's Incentive Option Plan require the holder of the options to satisfy employment conditions for the options to vest. Details are set out below.

NAME	EXERCISE PRICE	EXPIRY DATE	VEST 01-07-19	VEST 01-07-20	VEST 01-07-21	TOTAL	FAIR VALUE ON DATE OF GRANT
N Joseph	\$0.26	17 Dec 2021	78,060	78,060	80,425	236,545	\$0.0685
D Fisher	\$0.26	17 Dec 2021	133,333	133,333	133,334	400,000	\$0.0685

Total	211,393	211,393	213,759	636,545
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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

REMUNERATION REPORT – AUDITED (CONTINUED)

b) Options issued as part of remuneration (continued)

2. G Porcelli: On 10 May 2019, the Company issued 1,600,000 unlisted options over ordinary shares to Mr Porcelli under the Company's Incentive Option Plan for \$Nil consideration as approved by Shareholders at the General Meeting held on 3 April 2019. The options vested immediately and are exercisable on or before 8 August 2021. These Options have a fair value at date of grant of \$0.0297 per option.
3. S Smith: On 22 August 2018, the Company issued 2,400,000 unlisted options over ordinary shares to Mr Smith under the Company's Incentive Option Plan for \$Nil consideration. The options vested immediately and are exercisable on or before 22 August 2020. The options are however subject to escrow from the date of issue until 1 August 2019. These Options have a fair value at date of grant of \$0.1606 per option. Mr Smith is Head of the Mobile Division of the Company.

Performance Criteria:

The number of Options which vest will be determined by:

- a) the price of the Company's Shares as at the relevant Vesting Date, calculated on the volume weighted average sale price of Shares for the 20 business days immediately preceding the relevant Vesting Date; and
- b) the Company's revenue calculated on the Company's audited and reported financial results for the 12 months immediately preceding the Vesting Date.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

REMUNERATION REPORT – AUDITED (CONTINUED)

b) Options issued as part of remuneration (continued)

The number of Options that will vest will therefore be determined by the Company's performance against the Performance Criteria for the relevant period, as follows:

VESTING DATE	MAXIMUM NUMBER OF OPTIONS VESTING	TARGET (50% VEST)	MAXIMUM (100% VEST)
SHARE PRICE			
30 JUNE 2020	25% of issued Options	\$0.40	\$0.60
30 JUNE 2021	25% of issued Options	\$0.40	\$0.60
REVENUE			
30 JUNE 2020	25% of issued Options	\$7,000,000	\$11,560,000
30 JUNE 2021	25% of issued Options	\$7,000,000	\$11,560,000

For each Performance Criteria, and at each Vesting Date, the Board will determine how the Performance Criteria are to be measured. A target measure and maximum measure will be established for each Performance Criteria, and Options may vest in accordance with the following scale:

PERFORMANCE	RESULT
LESS THAN TARGET	No Options will vest.
ACHIEVEMENT OF TARGET	50% of Options for that Performance Criteria and Vesting Period will vest.
ACHIEVEMENT OF MAXIMUM	100% of Options for that Performance Criteria and Vesting Period will vest
BETWEEN TARGET AND MAXIMUM PERFORMANCE	50% of the Options for that Performance Criteria and relevant Vesting Date, plus an additional number of Options (calculated on a straight-line basis) between the Target and Maximum measures.

- On 27 June 2018, the number of options over ordinary shares granted to Key Management Personnel as part of compensation under the Company's Incentive Option Plan (refer to ASX Release on 16 October 2017 for a copy of the Company's Incentive Option Plan) and terms set out below. There are no performance conditions. All options issued under the Company's Incentive Option Plan require the holder of the options to satisfy employment conditions for the options to vest.

NAME	EXERCISE PRICE	EXPIRY DATE	VEST 01-11-18	VEST 01-07-19	VEST 01-07-20	TOTAL	FAIR VALUE ON DATE OF GRANT
A Sonnenberg	\$0.26	31 Dec 2020	72,990	72,990	75,202	221,182	\$0.135
C Joseph	\$0.26	31 Dec 2020	63,827	63,827	65,761	193,415	\$0.135
P Pitcher	\$0.26	31 Dec 2020	72,030	72,030	74,213	218,273	\$0.135
S Smith	\$0.26	31 Dec 2020	98,921	98,921	101,919	299,761	\$0.135

c) Shares Issued on Exercise of Compensation Options

There were no options exercised during the year or the comparative period that were granted as compensation in prior periods.

d) Other Information

The number of securities in the Company held by each of the Key Management Personnel, including their related parties during the reporting period and 2019 comparative period, are set out below:

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

REMUNERATION REPORT – AUDITED (CONTINUED)

d) Other Information (continued) Shares held by Key Management Personnel

2020	BALANCE 01 JULY 2019	BALANCE ON DATE APPOINTED	NET OTHER CHANGE	BALANCE ON RESIGNATION	BALANCE 30 June 2020
DIRECTORS					
I Dunstan	-	-	-	-	-
A Basile	-	-	-	-	-
F Kempson	-	-	-	-	-
C Joseph	9,669,763	-	-	-	9,669,763
A Berger	-	-	-	-	-
R Walker	2,241,118	-	-	(2,241,118)	2,241,118
N Joseph	27,773,834	-	-	(27,773,834)	27,773,834
D Fisher	624,621	-	-	(624,621)	624,621
T Ruppert	2,500,000	-	-	(2,500,000)	2,500,000
G Porcelli	45,353,596	-	-	(45,353,596)	45,353,596
OTHER KEY MANAGEMENT PERSONNEL					
P Pitcher	6,081,986	-	-	-	6,081,986
S Smith	3,502,992	-	-	-	3,502,992
A Sonnenberg	-	-	-	-	-
Total	97,747,910	113,828	624,621	-	98,486,359
2019					
	BALANCE 01 JULY 2018	BALANCE ON DATE APPOINTED	NET OTHER CHANGE	BALANCE ON RESIGNATION	BALANCE 30 June 2019
DIRECTORS					
R Walker	2,241,118	-	-	-	2,241,118
N Joseph ⁴	27,773,834	-	-	-	27,773,834
D Fisher ¹	-	-	624,621	-	624,621
T Ruppert	2,500,000	-	-	-	2,500,000
G Porcelli ²	-	113,828	45,239,768	-	45,353,596
OTHER KEY MANAGEMENT PERSONNEL					
C Joseph	9,669,763	-	-	-	9,669,763
P Pitcher	6,081,986	-	-	-	6,081,986
S Smith	3,502,992	-	-	-	3,502,992
A Sonnenberg ³	12,472,992	-	-	(12,472,992)	-
Total	64,242,685	113,828	45,864,389	(12,472,992)	97,747,910

- D Fisher: On 22 August 2018, 312,500 ordinary shares were issued and on 17 December 2018, 312,121 Ordinary Shares were issued in accordance with the terms and conditions as approved by Shareholders at the General Meeting held on 31 July 2018 and the Annual General Meeting of the Company held on 30 November 2018 respectively. These shares were issued to Fisher Accounting Pty Limited, a company in which David Fisher has an interest.
- G Porcelli: On 17 December 2018, 35,294,118 ordinary shares were issued to Lakeba Ventures Pty Ltd and on 10 May 2019, 9,945,650 ordinary shares were issued to Lakeba Ventures Pty Ltd totalling 45,239,768 ordinary shares. Mr Porcelli has an interest being a director and Shareholder of Lakeba Group Pty Ltd.
- A Sonnenberg resigned on 12 May 2019, and therefore ceased to be a key management personnel from that date.
- On 17 December 2018, pursuant to Shareholder approval received at the Annual General Meeting held on 30 November 2018, the Company issued 2,743,806 Shares to Helen Joseph who was nominated by Neil Joseph to receive those Shares. Helen Joseph is not a related party of Neil Joseph under the Corporations Act and therefore the 2,743,806 Shares issued to her are not included in the table above.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

REMUNERATION REPORT – AUDITED (CONTINUED)

d) Other Information (continued)

Options held by Key Management Personnel

2020	BALANCE 01 JULY 2019	BALANCE ON DATE APPOINTED	OPTIONS ACQUIRED	OPTIONS EXERCISED	OPTIONS EXPIRED	BALANCE ON RESIGNATION	BALANCE 30 June 2020
DIRECTORS							
I Dunstan	7,930,912	-	-	-	-	-	7,930,912
A Basile	-	-	-	-	-	-	-
F Kempson	-	-	-	-	-	-	-
C Joseph	1,528,415	-	-	-	-	-	1,528,415
A Berger	-	-	-	-	-	-	-
R Walker	-	-	-	-	-	-	-
N Joseph	1,931,545	-	-	-	-	(1,931,545)	-
D Fisher	400,000	-	-	-	-	(400,000)	-
T Ruppert	-	-	-	-	-	-	-
G Porcelli	1,672,464	-	-	-	-	(1,672,464)	-
EXECUTIVES							
P Pitcher	218,273	-	-	-	-	(218,273)	-
S Smith	4,034,761	-	-	-	-	(4,034,761)	-
A Sonnenberg	-	-	-	-	-	-	-
Total	30,972,566			-	-	(8,257,043)	9,459,327

2019	BALANCE 01 JULY 2018	BALANCE ON DATE APPOINTED	OPTIONS ACQUIRED	OPTIONS EXERCISED	OPTIONS EXPIRED	BALANCE ON RESIGNATION	BALANCE 30 June 2019
DIRECTORS							
R Walker	-	-	-	-	-	-	-
N Joseph	1,695,000	-	236,545	-	-	-	1,931,545
D Fisher	-	-	400,000	-	-	-	400,000
T Ruppert	-	-	-	-	-	-	-
G Porcelli	-	72,464	1,600,000	-	-	-	1,672,464
EXECUTIVES							
C Joseph	1,528,415	-	-	-	-	-	1,528,415
P Pitcher	218,273	-	-	-	-	-	218,273
S Smith	1,634,761	-	2,400,000	-	-	-	4,034,761
A Sonnenberg	1,556,182	-	-	-	-	(1,556,182)	-
Total	6,632,631	72,464	4,636,545	-	-	(1,556,182)	9,785,458

END OF AUDITED REMUNERATION REPORT

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

MEETINGS OF DIRECTORS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

DIRECTOR	BOARD MEETINGS		AUDIT COMMITTEE MEETINGS	
	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
I Dunstan	4	4	2	2
C Joseph	7	7	2	2
A Basile	6	6	2	2
A Berger	7	7	2	2
F Kempson	1	1	-	-
T Ruppert	5	5	-	-
D Fisher	5	5	2	2
N Joseph	1	1	-	-
R Walker	1	1	-	-
G Porcelli	1	1	-	-

INDEMNITIES GIVEN AND INSURANCE PREMIUMS PAID TO AUDITORS AND OFFICERS

During the reporting period from 1 July 2019 to 30 June 2020, the Company paid an insurance premium to insure the Directors and Officers of the Group. The Officers of the Company covered by the insurance policy include all Directors and the Company Secretary. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company. Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

SHARE OPTIONS

Details of unissued shares or interests of Mobecom under option at the date of this report are.

DATE OPTIONS GRANTED	NUMBER OF SHARES UNDER OPTION	CLASS OF SHARES	EXERCISE PRICE OF OPTION	EXPIRY DATE OF OPTIONS
11 October 2017	5,700,000	Ordinary	Nil	11 October 2020
11 October 2017	4,980,499	Ordinary	\$0.26	11 October 2020
27 June 2018	4,346,768	Ordinary	\$0.26	31 December 2020
22 August 2018	576,618	Ordinary	\$0.26	31 December 2020
22 August 2018	2,400,000	Ordinary	\$Nil	22 August 2020
17 December 2018	636,545	Ordinary	\$0.26	17 December 2021
10 July 2019	2,947,135	Ordinary	\$0.05	10 July 2022
Total	21,587,565			

NON-AUDIT SERVICES

There were no non-audit services provided in the year.

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is included on page 25 of the financial report and forms part of the Directors' report.

Signed in accordance with a resolution of the Board of Directors.



Iain Dunstan

Executive Chairman

Date: 2 November 2020



**MOBECOM LIMITED
AND CONTROLLED ENTITIES**

ABN: 47 125 688 940

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE
CORPORATIONS ACT 2001
TO THE DIRECTORS OF MOBECOM LIMITED AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

MNSA Pty Ltd

MNSA Pty Ltd

Mark Schiliro

Sydney, NSW

Dated this 2nd day of November 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 \$	2019 \$
Revenue from continuing operations		3,438,711	3,699,519
Costs of Sales		(1,595,544)	(2,133,022)
Gross Profit		1,843,167	1,566,497
Other revenue	3	420,826	787,551
Depreciation and amortization		(59,967)	(17,919)
Impairment of development cost	9	(6,203,995)	(1,000,000)
Administrative and other corporate costs	4	(2,133,493)	(2,367,342)
Finance costs	4	(442,781)	(575,666)
Marketing costs		(1,699)	-
Employee benefits expense	4	(2,252,608)	(4,072,706)
Employee benefits expense – share based payments	4	-	(1,735,679)
Foreign exchange losses		(58,449)	-
Loss before income tax		(8,888,999)	(7,415,264)
Income tax benefit		-	-
Net loss for the year		(8,888,999)	(7,415,264)
(Loss)/income attributed to non-controlling interest		(35,493)	14,792
Loss attributed to owners of Mobecom Limited		(8,924,492)	(7,400,472)
Other comprehensive income/(loss), net of tax		124,978	(35,706)
Gain on derecognition of subsidiaries		929,479	-
Total comprehensive loss		(7,870,035)	(7,436,178)
(LOSS) PER SHARE:			
Basic loss per share (cents per share)	18	(3.31)	(3.60)
Diluted loss per share (cents per share)	18	(3.31)	(3.60)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	NOTE	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	69,118	1,070,201
Trade and other receivables	7	730,640	1,443,658
Other assets	8	54,899	69,785
TOTAL CURRENT ASSETS		854,657	2,583,644
NON-CURRENT ASSETS			
Intangible assets	9	765,481	6,197,061
Plant and equipment	10	188,140	70,018
Other assets	8	-	49,386
TOTAL NON-CURRENT ASSETS		953,621	6,316,465
TOTAL ASSETS		1,808,278	8,900,109
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	3,246,739	4,427,766
Deferred revenue	12	66,959	315,127
Provisions	13	217,239	328,574
Borrowings	14	2,688,364	1,461,767
Lease liability	15	85,475	-
TOTAL CURRENT LIABILITES		6,304,776	6,533,234
NON-CURRENT LIABILITIES			
Trade and other payables	11	502,770	499,767
Deferred revenue	12	-	197,403
Provisions	13	66,553	130,256
Borrowings	14	-	541,263
Lease liability	15	63,064	-
TOTAL NON-CURRENT LIABILITES		632,387	1,368,689
TOTAL LIABILITIES		6,937,163	7,901,923
NET (DEFICIENCY)/ASSETS		(5,128,885)	998,186
EQUITY			
Share capital	16	27,905,355	26,162,391
Reserves	17	2,905,570	2,780,592
Accumulated losses		(35,840,308)	(27,880,788)
PARENT ENTITY NET (DEFICIENCY)/ASSETS		(5,029,383)	1,062,195
Non-controlling interest		(99,502)	(64,009)
EQUITY NET (DEFICIENCY)/ASSETS		(5,128,885)	998,186

The accompanying notes for part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

30 June 2020	Issued Capital \$	Foreign currency reserve \$	Accumulated Losses \$	Option Reserve \$	Non- Controlling Interest \$	Total \$
Balance as at 1 July 2019	26,162,391	(263,405)	(27,880,788)	3,043,997	(64,009)	998,186
Loss after income tax for the year	-	-	(8,888,999)	-	(35,493)	(8,924,492)
Other comprehensive income for the year after tax	-	124,978	-	-	-	124,978
Gain on derecognition of subsidiaries	-	-	929,479	-	-	929,479
Total comprehensive loss for the year	26,162,391	(138,427)	(35,840,308)	3,043,997	(99,502)	(6,871,849)
Issue of shares	1,742,964	-	-	-	-	1,742,964
Balance as at 30 June 2020	27,905,355	(138,427)	(35,840,308)	3,043,997	(99,502)	(5,128,885)

30 June 2019	Issued Capital \$	Foreign currency reserve \$	Accumulated Losses \$	Option Reserve \$	Non- Controlling Interest \$	Total \$
Balance as at 1 July 2018	17,288,743	(227,699)	(20,480,316)	858,432	-	(2,560,840)
Loss after income tax for the year	-	-	(7,400,472)	-	(14,792)	(7,415,264)
Other comprehensive income for the year after tax	-	(35,706)	-	-	-	(35,706)
Total comprehensive loss for the year	17,288,743	(263,405)	(27,880,788)	858,432	(14,792)	(10,011,810)
Issue of shares	9,323,533	-	-	-	-	9,323,533
Share issue costs	(449,885)	-	-	-	-	(449,885)
Share based payments	-	-	-	2,185,565	-	2,185,565
Other equity - Paid By Coins	-	-	-	-	(49,212)	(49,212)
Other equity - AirCrypto	-	-	-	-	(5)	(5)
Balance as at 30 June 2019	26,162,391	(263,405)	(27,880,788)	3,043,997	(64,009)	998,186

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	3,991,076	4,078,934
Payments for suppliers and employees	(6,712,382)	(7,994,451)
Proceeds from research and development rebates	-	136,939
Interest received	-	1,757
Finance costs	(349,357)	(480,867)
Net cash used in operating activities	(3,070,663)	(4,257,688)
	23	
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(3,594)	(55,791)
Net payment of security deposits	-	(25,344)
Costs associated with Investments	-	(1,493)
Loss from disposal of entities	(334,671)	-
Cash acquired on acquisition of Paid By Coins Pty Ltd	-	33,087
Net cash used in investing activities	(338,265)	(49,541)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and capital raising	1,820,404	2,318,647
Proceeds from borrowings	1,883,196	3,109,096
Repayment of borrowings	(1,216,950)	(1,625,000)
Proceeds from issue of convertible debt	210,000	-
Cost of capital raising	(77,440)	(263,532)
Transactions with non-controlling interests	(35,493)	-
Net cash from financing activities	2,583,717	3,539,211
Net decrease in cash and cash equivalents	(825,211)	(768,018)
Cash and cash equivalents at the beginning of the financial year	1,070,201	1,838,219
Effects of exchange rate changes on cash	(175,872)	-
Cash and cash equivalents at the end of the financial year	69,118	1,070,201
	6	

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated general-purpose financial statements and notes of Mobecom Limited ('Mobecom') and controlled entities ('Consolidated Entity' or 'Group').

The principal activities of the Group are to provide customer engagement technology that delivers end-to-end technology solutions for businesses to engage with their customers.

Mobecom Limited is a public and for-profit company, listed on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia.

The financial report of the Group complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS").

The annual report has been authorised by the Board for issue on 2 November 2020.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Statement of Compliance

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards "AASBs" (including Australian Interpretations) issued by the Australian Accounting Standard Board ("AASB") and the *Corporations Act 2001*, as appropriate for-profit oriented entities.

Basis of Measurement

The financial report has been prepared on an accruals basis and is based on historical costs.

The accounting policies set out below have been consistently applied to all years presented.

Going Concern basis

For the year ended 30 June 2020, the Consolidated Entity incurred an operating loss of \$8,888,999 (2019: \$7,415,264), had net cash outflows from operating activities of \$3,070,663 (2019: \$4,257,688), and at 30 June 2020 had a deficiency of current assets in relation to current liabilities of \$5,450,119 (2019: \$3,949,590) and deficient net assets of \$5,128,885 (2019: net assets \$998,186). These conditions indicate a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The ability of the Consolidated Entity to continue as a going concern and to pay its debts as and when they become due and payable is dependent upon a number of factors, including the ability of the Group to generate sufficient revenue, and complete the development of its products. Since the end of the reporting period:

- Between July and September, a number of debt and convertible note holders, converted their holdings to equity.
- The Company announced on 30 October 2020, a binding Deed of Settlement and Release from debts owed to Lakeba. The effect of this release will assist to bring the Company closer to its position of relisting as it will remove the encumbrance of prior related party transactions and debt.
- Further, the Company also included a number of resolutions in the EGM Notice for the meeting on 27 November 2020 that propose to convert Directors loans and fees to equity, which will remove those liabilities from the Balance Sheet.

The Directors continue to implement plans to reduce costs, but notwithstanding the cost containment measures, without:

- the receipt of outstanding funds of the current capital raise;
- funding offered by potential new investors;
- the receipt of R&D tax returns

or a combination of these events, the consolidated entity may not be able to continue as a going concern. These circumstances indicate there is a material uncertainty as to whether the consolidated entity will be able to continue as a going concern.

If the consolidated entity is unable to continue as a going concern, it may be required to make adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities in order to realise assets and extinguish liabilities other than in the normal course of business and at amounts different from those stated in the 30 June 2020 Financial Report.

Therefore, in the Directors opinion, there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern, and that it is appropriate to prepare these accounts on a going concern basis. As a result, the accounts have been prepared on the basis that the Consolidated Entity can meet its commitments as and when they fall due and can therefore continue business activities and can realise its assets and extinguish its liabilities in the ordinary course of business. The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Annual Report, including the key sources of estimation uncertainty, were the same as those applied in the Group's last Interim Financial Report and last Annual Report.

1.1 Adoption of new and revised accounting standards

The accounting policies adopted are consistent with those of the previous financial year. The Group has adopted all the new and revised accounting standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 July 2019.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations has not had a significant impact on the financial performance or position of the consolidated entity during the year ended 30 June 2020. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

1.2 Foreign currency

The financial statements are presented in Australian Dollars ("AUD"), which is also the Group's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

b) Consolidated financial statements

For consolidation purposes, the assets and liabilities of foreign operations are translated into AUD at the rate of exchange ruling at the end of the reporting period and their profits or losses are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

1.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, (with CSB Engage Pte Ltd as the accounting parent) and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as for the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Useful lives

Office equipment 3-7 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

1.5 Intangible assets

Intangible assets relate to capitalised software development costs, restraint of trade and customer list, all of which are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

These intangible assets are considered to have finite useful lives and are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end.

1.6 Subsidiaries

A subsidiary is an investee that is controlled by the accounting parent. The accounting parent controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and fixed deposits which are subject to an insignificant risk of changes in value.

1.8 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1.9 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recorded at fair value, net of transaction costs, and subsequently carried at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings which are due to be settled within twelve months after the balance sheet date are included in current borrowings in the consolidated statement of financial position even though the original term was for a

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.9 Borrowings (continued)

period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue.

1.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.11 Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date, are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing models that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing models, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Taxes

a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Goods and Services Tax "GST"

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1.13 Share capital

Proceeds from the issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

1.14 Leases

AASB 16 was issued in February 2016 for adoption from January 2019. It has resulted in almost all the Group's leases being recognised on the statement of financial position as right-of-use assets, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under the preceding standard, AASB 117 *Leases*.

Where a lease is identified at inception, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any leased incentives received.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1.14 Leases (continued)

The Group used the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB117.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial acquisition.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

1.15 Earnings Per Share (“EPS”)

Basic earnings per share

Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

1.16 Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTE 2: SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

2.1 Key sources of estimation uncertainty

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of loans and other receivables

Management reviews its loans and other receivables for objective evidence of impairment regularly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

2.1 Key sources of estimation uncertainty (continued)

characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

Useful lives of intangible assets

The cost of intangible assets is depreciated on a straight-line basis over their useful life. Management estimates the useful life of the intangible assets as stated in the significant accounting policies. These are common life expectations applied in the industry. Changes in the expected level of usage and technological development could impact the economic useful life of these assets, and therefore future amortisation charges could be revised. The carrying amount of the Group's intangible assets at the reporting date is disclosed in the notes to the financial statements.

2.2. Judgements made in applying accounting policies

Management is of the opinion that any instance of judgments (other than those arising from the estimates described above) are not expected to have significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3: OTHER REVENUE

	CONSOLIDATED	
	2020	2019
	\$	\$
Interest income	1,304	1,565
Research and development rebates	210,177	764,139
Rental income	-	14,820
Government subsidies	201,132	-
Sundry income	8,213	7,027
	420,826	787,551

NOTE 4: LOSS BEFORE INCOME TAX EXPENSE

	CONSOLIDATED	
	2020	2019
	\$	\$
Research and development costs	65,589	57,817
Advertising and marketing costs	12,388	156,536
Administrative and corporate costs	2,055,516	2,152,989
Total Administrative and other corporate costs	2,133,493	2,367,342

	CONSOLIDATED	
	2020	2019
	\$	\$
The result for the year includes the following specific items:		
Interest expense and other related finance costs	35,188	428,166
Transaction costs related to loans and borrowings	407,593	147,500
Total Finance costs	442,781	575,666

Total Employee benefits expense – inclusive of management fees, wages & salaries, superannuation, training costs, worker's compensation, payroll tax, provision and accrual of annual leave and long service leave accrual and other costs	2,252,608	4,072,706
Share based payment	-	1,735,679

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 5: ACQUISITION

During the financial year, the Company divested and deconsolidated the following entities. Refer to Note 9 for details of the impairment.

a) Paid By Coins Pty Ltd

On 17 December 2018, Mobecom completed the acquisition of 80% of the issued shares of Paid By Coins from Lakeba Ventures, a subsidiary venture of Lakeba Group Pty. Ltd. ACN 603 471 807 (Lakeba Group). Mobecom made a payment of \$6,000,000 to Lakeba Ventures satisfied by the issue of 35,294,118 fully paid ordinary shares in Mobecom at an agreed issue price of \$0.17 per share.

The parties have also agreed that Mobecom will have an option to acquire, and Lakeba Ventures will have an option to sell, the balance of shares in Paid By Coins (i.e. the remaining 20%), for a price of between \$1.00 and \$14million depending on the performance of Paid By Coins following completion of the acquisition. For further information refer to ASX Release on 17 December 2018.

Net Assets of Paid By Coins Pty Limited as at 17 December 2018

	\$
Assets	
Cash and cash equivalents	33,087
Trade and other receivables	8,500
Other assets	18,165
Liabilities	
Payables	(306,078)
Net assets	(246,326)
Less: Assets and liabilities attributable to non-controlling interest	
Non-controlling interest at 20%	49,265
Net liabilities attributable to non-controlling interest	(197,061)
Assessed Fair value of assets acquired:	
35,294,118 shares @\$0.17 per share	6,000,000
Goodwill from purchase of Paid By Coins Pty Ltd	6,197,061

b) Air Crypto Pty Ltd

On 19 December 2018, Mobecom and Lakeba Group agreed to amend certain terms of the memorandum of understanding executed on 15 May 2018 for the development by Lakeba Ventures Pty Ltd of a blockchain and cryptocurrency exchange platform called AirCrypto Platform. The development of the Aircrypto platform was successfully completed and Mobecom exercised its right to acquire 51% of the issued shares of Aircrypto Pty Ltd ("Aircrypto") from Lakeba Ventures. Mobecom made a payment of \$51.00 to Lakeba Ventures. Mobecom also paid to Lakeba Group \$1,000,000 for development costs (refer to Note 9: Impairment of capitalised development cost) which was satisfied by the issue of 9,945,650 fully paid ordinary shares in Mobecom at an agreed issue price of \$0.1005 per share.

Net Assets of AirCrypto Pty Limited as at 11 May 2019

	\$
Assets	
Cash and cash equivalents	-
Trade and other receivables	-
Other assets	100
Liabilities	
Payables	-
Net assets	100
Less: Assets and liabilities attributable to non-controlling interest	
Non-controlling interest at 49%	(5)
Net liabilities attributable to non-controlling interest	(5)
Cost of investment in AirCrypto Pty Ltd	51

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 6: CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2020	2019
	\$	\$
Cash on hand	2,276	3,261
Cash at bank	66,842	1,066,940
Cash and bank balances	69,118	1,070,201

NOTE 7: TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2020	2019
	\$	\$
Current		
Trade receivables	345,929	475,523
Amounts due from related parties	-	34,971
Other receivables	41,541	166,998
Research and development rebates	343,170	766,166
	730,640	1,443,658

	CONSOLIDATED	
	2020	2019
	\$	\$
(a) Trade receivables		
Third parties	345,929	475,523
Trade receivables not past due and not impaired	281,969	271,466

Trade receivables are non-interest bearing and are generally on 30 to 90 days terms. They are recognised and carried at their original invoice amounts which represent their values on initial recognition.

Receivables that are past due but not impaired

The ageing of trade receivables that are past due but not impaired at the reporting date is as follows:

	CONSOLIDATED	
	2020	2019
	\$	\$
Less than 30 days overdue	18,496	117,541
31 - 60 days overdue	6,740	30,342
Over 60 days overdue	38,724	56,174
	63,960	204,057

Related parties refer to companies over which a director of the Company has control or significant influence in relation to the financial and operational aspects of the companies. Amounts due from related parties are non-interest bearing and are generally on 30 to 90 days terms. They are recognised and carried at their original invoice amounts which represent their values on initial recognition.

	CONSOLIDATED	
	2020	2019
	\$	\$
(b) Amounts due from related parties		
Amount due from directors	-	-
Amount due from other related parties	-	34,971
	-	34,971

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 7: TRADE AND OTHER RECEIVABLES (continued)

	CONSOLIDATED	
	2020	2019
	\$	\$
(c) Provision for Doubtful Debts		
Opening Balance	-	13,665
Write off during the year	-	(13,665)
Closing Balance	-	-

NOTE 8: OTHER ASSETS

	CONSOLIDATED	
	2020	2019
	\$	\$
Current		
Prepayment and deposits	1,748	46,730
Factoring retentions and escrow accounts	-	23,055
Other assets	43,087	-
Deposits	10,064	-
	54,899	69,785
Non-Current		
Other assets	-	12,824
Deposits	-	36,562
	-	49,386

NOTE 9: INTANGIBLE ASSETS

	CONSOLIDATED	
	2020	2019
	\$	\$
Goodwill on acquisition – Paid By Coins Pty Ltd	6,197,061	6,197,061
Less: accumulated impairment	(6,197,061)	-
Total Goodwill	-	6,197,061
Capitalised development cost	1,772,415	1,000,000
Less: accumulated impairment	(1,006,934)	(1,000,000)
Total capitalised development cost	765,481	-
Restraint of trade	569,885	569,885
Less: accumulated amortisation	(569,885)	(569,885)
Total restraint of trade	-	-
Customer list	300,000	300,000
Less: Accumulated amortisation	(150,000)	(150,000)
Less: Impairment	(150,000)	(150,000)
Total customer list	-	-
Total	765,481	6,197,061
Reconciliation of net carrying values		
Opening balance	6,197,061	-
Additions	772,415	7,197,061
Amortisation for year	-	-
Impairment	(6,203,995)	(1,000,000)
Net carrying value	765,481	6,197,061

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9: INTANGIBLE ASSETS (continued)

During the year, the Company reviewed its operations and decided to cease its Paid By Coins operations. As such, the full investment was impaired during the year. The Company views this strategic move favourably, to streamline operations and concentrate on its profitable operations.

In the latter part of the financial year, the Company began to invest in its Mosaic platform to better service clients in South Africa. During the year a total investment of \$772,415 was made to achieve an operational platform. The Company is of the view that due to the current nature of its investment in Mosaic, and the efficiency value added, that there are no indicators of impairment on this investment.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED	
	2020	2019
	\$	\$
Property, plant and equipment:		
Office equipment at cost	133,405	129,811
Office equipment accumulated depreciation	(88,705)	(59,793)
Property under lease (right-of-use asset)	143,440	-
Total property, plant and equipment	188,140	70,018

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated Group:	OFFICE	PROPERTY
	EQUIPMENT	UNDER LEASE (Right-of-Use Asset)
	\$	\$
Balance at 1 July 2019	70,018	-
Additions	3,594	143,440
Depreciation expense	(22,220)	-
Currency translation reserve	(6,692)	-
Balance as at 30 June 2020	44,700	143,440

	OFFICE	PROPERTY
	EQUIPMENT	UNDER LEASE (Right-of-Use Asset)
	\$	\$
Balance at 1 July 2018	33,102	-
Additions: office equipment	55,791	-
Depreciation expense	(17,919)	-
Currency translation reserve	(956)	-
Balance as at 30 June 2019	70,018	-

NOTE 11: TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2020	2019
	\$	\$
Current		
Trade creditors	2,532,246	1,506,663
Third parties – excluding trade creditors	117,975	2,560,008
Sundry payables and accrued expenses	522,597	288,646
Credit cards	73,921	72,449
	3,246,739	4,427,766

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 11: TRADE AND OTHER PAYABLES (CONTINUED)

	CONSOLIDATED	
	2020	2019
Non-current	\$	\$
Directors fees	502,770	474,400
Other payable – car lease	-	25,367
Total	502,770	499,767

Non-current	BALANCE AT	FOREIGN	FEES FOR	PAID TO	BALANCE
Directors' fees	1 JULY 2019	EXCHANGE	THE YEAR	DIRECTOR	30 June 2020
	\$	\$	\$	IN CASH	\$
C Joseph	141,290	5,238	-	-	146,528
N Joseph	333,110	23,132	-	-	356,242
Total	474,400	28,370	-	-	502,770

Non-current	BALANCE AT	FOREIGN	FEES FOR	PAID TO	BALANCE
Directors' fees	1 JULY 2018	EXCHANGE	THE YEAR	DIRECTOR	30 June 2019
	\$	\$	\$	IN CASH	\$
C Joseph	160,681	9,674	161,716	(190,781)	141,290
N Joseph	293,468	17,671	21,971	-	333,110
Total	454,149	27,345	183,687	(190,781)	474,400

NOTE 12: DEFERRED REVENUE

	CONSOLIDATED	
	2020	2019
	\$	\$
Current	66,959	315,127
Non-Current	-	197,403
Total	66,959	512,530

	CONSOLIDATED	
	2020	2019
	\$	\$
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening Balance	512,530	357,807
Movement for the period	(445,571)	154,723
Movement due to AASB15 adjustment	-	-
Closing Balance	66,959	512,530

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$66,959 as at 30 June 2020 (2019: \$512,530) and is expected to be recognised as revenue in future periods as follows:

Within 6 months	65,379	171,327
6 to 12 months	1,580	143,800
12 to 18 months	-	114,069
18 to 24 months	-	41,667
24-36 months	-	41,667
Total	66,959	512,530

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 13: PROVISIONS

	CONSOLIDATED	
	2020	2019
	\$	\$
Current		
Employee benefits – annual leave	217,239	328,574
Non-Current		
Employee benefits – long service leave	66,553	130,256
Movement in Provisions		
Provision for annual leave		
Opening Balance	328,574	515,269
Accrual during the year	110,293	306,858
Leave taken during the year	(221,628)	(493,553)
Closing Balance	217,239	328,574
Provision for long service leave		
Opening Balance	130,256	123,963
Accrual during the year	(5,388)	6,293
Leave taken during the year	(58,315)	-
Closing Balance	66,553	130,256

NOTE 14: BORROWINGS

	CONSOLIDATED	
	2020	2019
	\$	\$
Current		
<u>Term Loans</u>		
Loans ⁽ⁱ⁾	1,476,151	750,000
Amounts due to related parties ⁽ⁱⁱ⁾	1,212,213	711,767
	2,688,364	1,461,767

- i) During the reporting period, the Company secured various short-term loans, with a balance of \$1,476,151 outstanding as at 30 June 2020. Interest of \$147,863 had been incurred during the reporting period in connection with these loans.
- ii) During the reporting period, the Company secured a loan from Lakeba Ventures Pty Ltd with a balance of \$1,212,213 outstanding as at 30 June 2020. This loan was interest free, with no fix term of repayment. The loan was made directly from Lakeba Ventures to Paid By Coins Pty Ltd and is used to fund the float which is used to fund the Paid By Coins requirements for completing transactions using the gateway method.

	CONSOLIDATED	
	2020	2019
	\$	\$
Non-Current		
Amount due to related parties	-	541,263

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 14: BORROWINGS (continued)

a) Amount due to related parties

The amounts due to related parties are unsecured.

	CONSOLIDATED	
	2020	2019
	\$	\$
Current		
Amount owing to directors	502,770	-
Non-Current		
Amount owing to directors	-	213,669
Amount owing to shareholders	-	327,594
	-	541,263

NOTE 15: LEASE LIABILITIES

	CONSOLIDATED	
	2020	2019
	\$	\$
Current		
Lease liabilities	85,475	-
Non-Current		
Lease liabilities	63,064	-

(a) Maturity Analysis

	Less than 6 months	6 months to 1 year	1 to 5 years	5+ years	Total
Lease payments	49,500	49,500	66,000	-	165,000
Finance charges	(8,066)	(5,458)	(2,937)	-	(16,461)
Net present values	41,434	44,042	63,063	-	148,539

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 16: ISSUED CAPITAL

Fully Paid Ordinary Shares

	CONSOLIDATED	
	30 JUNE 2020 \$	30 JUNE 2019 \$
289,034,344 fully paid ordinary shares (30 June 2019: 253,118,804 fully paid ordinary shares)	30,855,790	26,989,654
Shares Issue costs	(2,950,435)	(827,263)
	27,905,355	26,162,391

Reconciliation of share issued during the year is set out below:

	30- JUN -20	ISSUE PRICE PER SHARE	30-JUN-20	30-JUN-19	ISSUE PRICE PER SHARE	30-JUN-19
	NUMBER OF SHARES		\$	NUMBER OF SHARES		\$
Balance at the beginning of the period/year for Mobecom Limited	253,118,804		26,162,391	178,097,817		17,288,743
21 Aug 2018: Shares issued to a Director (or his nominee) as approved at the AGM held on 30 Nov 2018.				312,500	\$ 0.32	100,000
17 Dec 2018: Shares issued to Directors (or their nominee) as approved at the AGM held on 31 July 2018				3,055,927	\$ 0.15	458,389
17 Dec 2018: Shares issued to Former Directors (or their nominee)				320,832	\$ 0.15	48,125
17 Dec 2018: Consideration Shares issued for the acquisition of Paid By Coins Pty Ltd				35,294,118	\$ 0.17	6,000,000
15 Feb 2019: Share Placement				5,500,000	\$ 0.10	550,000
10 May 2019: Share Placement				20,591,960	\$ 0.075	1,544,397
10 May 2019: Shares issued to Lakeba Ventures Pty Ltd to settle development costs				9,945,650	\$0.1005	1,000,000
Share issue costs						(827,263)
10 Jul 2019: Share Placement	11,641,374	\$0.075	873,103	-	-	-
11 Oct 2019: Shares issued to Directors (or their nominees)	266,666	\$0.075	-	-	-	-
12 Feb 2020: Share Placement	12,245,000	\$0.04	489,800	-	-	-
9 June 2020: Shares issued upon conversion of Notes	2,887,500	\$0.04	115,500	-	-	-
24 Jun 2020: Shares issued to third party lenders to settle debts	6,250,000	\$0.04	250,000	-	-	-
25 Jun 2020: Shares issued upon conversion of Notes	2,625,000	\$0.04	105,000	-	-	-
Share issue costs	-	-	(90,439)			
Balance at the end of the year	289,034,344		27,905,355	253,118,804		26,162,391

Each ordinary share carries the right to be one vote at shareholders' meetings and is entitled to participate in any dividends or other distributions of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 17: RESERVES

	CONSOLIDATED	
	2020	2019
	\$	\$
Option reserve		
Opening balance	3,043,997	858,432
Additions	-	2,185,565
Closing balance	3,043,997	3,043,997
Foreign Currency translation reserve		
Opening balance	(263,405)	(227,699)
Foreign currency translation	124,978	(35,706)
Closing balance	(138,427)	(263,405)
Total reserves	2,905,570	2,780,592

The option reserve represents the fair value of options granted to employees and suppliers for services provided to the Group. The fair value of options is expensed over the vesting period or during the period in which the services are received.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

NOTE 18: EARNINGS PER SHARE

	CONSOLIDATED	
	2020	2019
	\$	\$
Loss after income tax attributable to the owners of Mobecom Limited	(8,924,492)	(7,400,472)
	NUMBER	NUMBER
Weighted average number of ordinary shares used in calculating basic earnings per share	269,633,269	205,326,726
Weighted average number of ordinary shares used in calculating diluted earnings per share	269,633,269	205,326,726
Basic loss per share (cents per share)	(3.31)	(3.60)
Diluted loss per share (cents per share)	(3.31)	(3.60)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 19: TAX LOSSES

	CONSOLIDATED	
	2020	2019
	\$	\$
Revenue	12,081,665	10,060,960
Capital	6,850,031	527,067

As at balance date, there is no effective income tax consolidation regime for the group. Mobecom Limited and each of its controlled entities have an obligation to lodge individual company income tax returns in the respective countries in which the group operates, being Australia, Singapore and South Africa.

As at 30 June 2020, the Group had unused income tax losses, for which no deferred tax asset has been recognised, as follows:

Australia - Revenue – 27.5% (2019 – 27.5%)	1,699,925	1,232,761
Australia - Capital – 27.5% (2019 – 27.5%)	1,883,758	144,943
Singapore- Revenue - 17% (2019-17%)	810,419	829,249
South Africa – Revenue - 28% (2019-28%)	317,224	196,071

The benefit of the tax losses will only be obtained if:

- 1 The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised,
- 2 The consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation, and
- 3 No changes in tax legislation adversely affect the consolidated entity in realising the benefit of deductions for the losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 20: OPERATING SEGMENTS

The Group operates in one industry segment being technology development. Information is therefore shown for geographical segments.

2020	AUSTRALIA	SOUTH AFRICA	SINGAPORE	UNALLOCATED	TOTAL
	\$	\$	\$	\$	\$
Revenue and other income					
External sales	2,421,364	1,221,425	69,642	(273,720)	3,438,711
Sundry income	209,840	8,015	208,120	(6,453)	419,522
Interest	136	1,168	-	-	1,304
Total segment revenue and other income	2,631,340	1,230,608	277,762	(280,173)	3,859,537
Segment net (loss) before tax and other items	(2,475,807)	(432,690)	110,764	172,696	(2,625,037)
Impairment charges	(6,203,995)	-	-	-	(6,203,995)
Depreciation and amortisation	(41,930)	(16,487)	(1,550)	-	(59,967)
Net (loss) before income tax	(8,721,732)	(449,177)	109,214	172,696	(8,888,999)
Loss attributable to non-controlling interest	(35,493)	-	-	-	(35,493)
Net (loss) / profit before income tax	(8,757,225)	(449,177)	109,214	172,696	(8,924,492)
Income tax benefit	-	-	-	-	-
Net (loss) after income tax	(8,757,225)	(449,177)	109,214	172,696	(8,924,492)
Segment assets at 30 June 2020	787,315	756,982	169,866	94,115	1,808,278

2019	AUSTRALIA	SOUTH AFRICA	SINGAPORE	UNALLOCATED	TOTAL
	\$	\$	\$	\$	\$
Revenue and other income					
External sales	2,246,365	1,357,089	96,065	-	3,699,519
Research and development rebates	764,139	-	-	-	764,139
Rental income	-	-	14,820	-	14,820
Sundry income	555	6,472	-	-	7,027
Interest	6	1,559	-	-	1,565
Total segment revenue and other income	3,011,065	1,365,120	110,885	-	4,487,070
Segment net (loss) before tax and other items	(2,064,964)	(266,537)	(422,237)	(3,642,967)	(6,396,705)
Impairment of development cost	(1,000,000)	-	-	-	(1,000,000)
Depreciation and amortisation	(8,020)	(8,342)	(2,197)	-	(18,559)
Listing fees recognised on reverse acquisition	-	-	-	-	-
Net (loss) before income tax	(3,072,984)	(274,879)	(424,434)	(3,642,967)	(7,415,264)
Loss attributable to non-controlling interest	(14,792)	-	-	-	(14,792)
Net (loss) / profit before income tax	(3,058,192)	(274,879)	(424,434)	(3,642,967)	(7,400,472)
Income tax benefit	-	-	-	-	-
Net (loss) after income tax	(3,058,192)	(274,879)	(424,434)	(3,642,967)	(7,400,472)
Segment assets at 30 June 2019	7,929,170	800,748	170,191	-	8,900,109

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 21: CONTROLLED ENTITIES

Details of controlled entities are as follows:

PARENT ENTITY		COUNTRY OF INCORPORATION		
Mobecom Limited		Australia		
CONTROLLED ENTITIES	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	PERCENTAGE OF EQUITY HELD BY THE COMPANY	
			2020 %	2019 %
LifeIQ Pte. Ltd. (formerly LifeAlly International Pte.Ltd)* closed down	Web-based health and lifestyle wellness platform	Singapore	100	100
CSB Engage SA (Pty) Ltd	Provide loyalty and customer engagement services	South Africa	100	100
CSB Engage (Aus) Pty Limited	Provide loyalty and customer engagement platform	Australia	100	100
CSB Engage Asia Pte. Ltd	Loyalty consultancy and development of e-commerce applications	Singapore	100	100
Mobecom Australia Pty Ltd (formerly Endless Rewards Pty Ltd) (in liquidation)	Provide loyalty and customer engagement platform	Australia	-	97.4
Onit Media Asia Pte Ltd closed down	Provide loyalty and customer engagement platform	Singapore	100	100
Waratah No.1 Pty Ltd	Dormant	Australia	100	100
Waratah Resources Gabon S.A.	The Company is in the process of winding up Waratah Resources Gabon SA.	Australia	100	100
Paid By Coins Pty Ltd	Paid By Coins is an early stage, cryptocurrency exchange platform	Australia	-	80
AirCrypto Pty Ltd	Development of a blockchain and cryptocurrency exchange platform called AirCrypto Platform	Australia	51	51
Owned by CSB Engage (Aus) Pty Limited, a controlled entity of the Company				
Mobecom Australia Pty Ltd (in liquidation)	Provide loyalty and customer engagement platform	Australia	-	2.6
Onit Media Pty Ltd	Provide loyalty and customer engagement platform	Australia	100	100
Life IQ Pty Ltd (in liquidation)	Web-based health and lifestyle wellness platform	Australia	-	100

NOTE 22: KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation comprised:

	CONSOLIDATED	
	2020 \$	2019 \$
Short term employment benefits	1,007,173	1,505,912
Post-employment benefits	50,090	96,066
Share based payments	-	514,936
	1,057,263	2,116,914

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the directors' report.

Apart from the details disclosed in the remuneration report section of the directors' report, no director has entered into a material contract with the group since the end of the previous financial year and there were no material contracts involving directors' interests existing at the year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 23: CASH FLOW INFORMATION

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	CONSOLIDATED	
	2020	2019
	\$	\$
a) Reconciliation of total loss for the year to net cash provided by operating activities:		
Loss for the period	(8,888,999)	(7,415,264)
Add/(deduct): Non-cash items:		
Finance costs	442,781	27,734
Borrowings costs	-	21,000
Impairment	6,203,995	1,000,000
Deferred Revenue	(445,571)	(80,119)
Depreciation	59,967	17,919
Share based payments	-	1,735,679
Rounding	(1)	-
Change in assets and liabilities net of the effect of acquisitions and disposals associated with business combinations:		
Trade and other receivables	713,018	(460,644)
Other assets	14,886	58,870
Trade and other payables	(1,059,404)	256,453
Provisions	(111,335)	(64,758)
Payroll liabilities	-	645,442
Net cash used in operating activities	(3,070,663)	(4,257,688)

b) Non-cash financing and investing activities

There were no non-cash financing and investing activities during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 24: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks and accounts payable.

(i) Treasury Risk Management

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of credit risk policies and future cash flow requirements.

(ii) Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are liquidity risk, credit risk and price risk.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. The maximum exposure to credit risk to recognised financial assets, at reporting date is the carrying amount, net of any provisions for impairment of those assets as disclosed in the statement of financial position and notes to the financial statements

The Group does not have any material credit risk exposure to any single receivable or group of receivables.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from borrowings. At the reporting date, the interest rate profile of the Group's and Company's interest-bearing financial instruments was:

	CONSOLIDATED	
	2020 \$	2019 \$
Total Exposure	2,688,364	2,162,105
Current	2,688,364	1,533,716
Non-current	-	628,389
Total	2,688,364	2,162,105

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 24: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies (continued)

Market risk (continued)

(i) Interest rate risk (continued)

	CONSOLIDATED	
	2020 \$	2019 \$
Total Exposure	2,688,364	2,162,105
Fixed rate instruments – borrowings including related parties	2,671,220	2,089,656
Variable rate instruments – credit cards	17,144	72,449
Total	2,688,364	2,162,105

Interest on financial instruments at fixed rates are fixed until the maturity of the instruments and are not subject to interest rate risk.

The sensitivity analysis for interest rate risk is not disclosed as the Group does not expect any significant effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

(ii) Foreign currency risk

The Group's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Group does not have any formal policy for hedging against currency risk. The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Group, primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), and South African Rand ("ZAR").

The Group's currency exposures to the USD, SGD, and ZAR at the reporting date were as follows:

(AGREE NOT AGREE TO NOTE 6,7,11) and balance sheet					
2020 – CONSOLIDATED	SGD	USD	AUD	ZAR	Total
Financial assets	\$A	\$A	\$A	\$A	\$A
Trade receivables	17,838	-	307,316	213,454	538,608
Other receivables (excluding prepayment and tax recoverable)	-	-	41,541	-	41,541
Research and development rebates	-	-	150,491	-	150,491
Cash and cash equivalents	15,399	-	4,170	49,560	69,129
	33,237	-	503,518	263,014	799,769
Financial liabilities					
Trade payables	58,715	-	3,120,172	67,852	3,246,739
Other payables	913,335	-	1,341,268	131,328	2,385,931
Borrowings - amounts due to related parties	229,725	-	2,458,639	-	2,688,364
Credit cards	-	-	-	-	-
	1,201,775	-	6,920,079	199,180	8,321,034
Net financial assets / (liabilities – include borrowings)	(1,168,538)	-	(6,416,561)	63,834	(7,521,265)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 24: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies (continued)

Market risk (continued)

2019 – CONSOLIDATED	SGD	USD	AUD	ZAR	Total
Financial assets	\$A	\$A	\$A	\$A	\$A
Trade receivables	29,657	-	164,773	281,093	475,523
Other receivables (excluding prepayment and tax recoverable)	11,253	-	251,662	31,520	294,435
Research and development rebates	-	-	766,126	-	766,126
Cash and cash equivalents	10,497	-	984,033	75,671	1,070,201
	51,407		2,166,594	388,284	2,606,285
Financial liabilities					
Trade payables	61,404	-	1,380,203	65,056	1,506,663
Other payables	912,162	-	1,941,262	67,679	2,921,103
Borrowings - amounts due to related parties	34,917	121,516	383,703	1,128	541,264
Credit cards	-	-	72,449	-	72,449
	1,008,483	121,516	3,777,617	133,863	5,041,479
Net financial assets / (liabilities – include borrowings)	(957,076)	(121,516)	(1,611,023)	254,421	(2,435,194)

NOTE 25: EVENTS OCCURRING AFTER THE REPORTING PERIOD

Since the end of the reporting period, the following events occurred:

- On 20 July 2020, the Company issued 2,625,000 shares upon conversion of 1,050,000 convertible notes;
- On 30 July 2020, the Company issued 2,400,000 shares upon conversion of options;
- On 17 August 2020, the Company announced the appointment of Novus Capital Limited as financial advisor to work to find solutions for debt restructuring and capital raising;
- On 7 September 2020, the Company issued 36,119,608 shares to settle loans made to the Company by third parties;
- On 8 September 2020, the Company issued 524,994 shares to settle loans made to the Company by third parties;
- On 11 September 2020, the Company announced its intention to reverse the AirCrypto transaction upon shareholder approval at an upcoming General Meeting;
- On 28 October 2020, the Company called an Extraordinary General Meeting to reverse the AirCrypto transaction and to approve measures to provide more optionality for capital raising and debt reduction;
- On 30 October 2020, the Company announced a Deed of Settlement and Release from debts owed to Lakeba; and
- The Company is currently under a Placement Holiday with the date of termination of the Holiday to be determined with ASX

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 26: PARENT COMPANY

Financial position	CONSOLIDATED	
	2020	2019
	\$	\$
Assets		
Current assets	36,222	465,077
Total assets	36,222	465,077
Liabilities		
Current liabilities	1,719,290	2,233,826
Non-current liabilities	-	24,902
Total liabilities	1,719,290	2,258,728
(Net deficiency) in assets/net assets	(1,683,068)	(1,793,651)
Equity		
Issued capital	65,573,560	64,157,958
Reserves	3,057,567	2,858,255
Accumulated losses	(70,314,195)	(68,809,864)
Total equity	(1,683,068)	(1,793,651)
Financial performance		
Loss for the year	(8,049,335)	(13,651,351)
Other comprehensive loss	-	-
Total comprehensive (loss)	(8,049,335)	(13,651,351)

The parent company represents Mobecom Limited (the legal parent) for the year ended 30 June 2020. The comparative information also represents Mobecom Limited. Loss for the year of the parent entity includes a provision for impairment of \$NIL (2019: \$10,207,424) in relation to investments in related companies and intercompany amounts receivable.

NOTE 27: REMUNERATION OF AUDITOR

During the reporting period the following fees were paid or payable for services provided by Accounting Firms MNSA Pty Ltd and HLB Mann Judd Assurance (NSW) Pty Ltd, the auditor of the Company, its network firms and related firms:

Audit and review of financial statements	CONSOLIDATED	
	2020	2019
	\$	\$
MNSA Pty Ltd - audit for the year ended 30 June 2020 and half year review 31 December 2019	120,000	90,000
HLB Mann Judd Assurance (NSW) Pty Ltd: half-year review 31 December 2018	-	40,305
Foo Kon Tan, a member of HLB International: year-end audit of two Singapore companies	-	15,726
Other services		
MNSA Pty Ltd	-	-
Total other services	-	-
Total audit and other services	120,000	146,031

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 28: SHARE BASED PAYMENTS

Employee incentive option plan

All options granted under the Company's incentive option plan are in relation to fully paid ordinary shares in Mobecom Limited, which confer a right of one ordinary share for every option held.

A reconciliation of share-based payment arrangements that existed during the reporting period and at the end of the comparative 2018 reporting period are set out below:

OPTIONS	2020 NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	2019 NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Issued to employees				
Balance at the beginning of the period	15,259,931	-	10,046,768	-
Granted	-	-	5,213,163	Nil
Forfeited	(1,600,000)	-	-	-
Exercised	-	-	-	-
Expired – Transfer to other options	-	-	-	-
Balance on resignation	-	-	-	-
Outstanding at the end of the period	13,659,931		15,259,931	
Exercisable at year end	4,025,049		5,625,049	

The following share-based payment arrangements were in existence during the reporting period and 2019 comparative reporting period:

OPTIONS SERIES	NUMBER GRANTED	NUMBER VESTED	GRANT DATE	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE AT GRANT DATE
Series (iv)	5,700,000 ¹	Nil	11 Oct 2017	11 Oct 2020	\$0.00	\$0.19
Series (v)	4,346,768 ²	1,434,432	27 Jun 2018	31 Dec 2020	\$0.26	\$0.135
Series (vi)	576,618 ³	190,617	22 Aug 2018	31 Dec 2020	\$0.26	\$0.0710
Series (vii)	2,400,000 ⁴	2,400,000	22 Aug 2018	22 Aug 2020	\$Nil	\$0.1606
Series (viii)	636,545 ⁵	Nil	17 Dec 2018	17 Dec 2021	\$0.26	\$0.0685
	13,659,931	4,025,049				

INPUTS INTO THE OPTION VALUATION MODEL	SERIES (iv)	SERIES (v)	SERIES (vi)	SERIES (vii)	SERIES (viii)
Grant date share price	\$0.20	\$0.22	\$0.169	\$0.169	\$0.12
Exercise price	\$0.26	\$0.26	\$Nil	\$0.26	
Expected volatility	100%	116%	120%	100%	116%
Option life	918 days	862 days	2 years	3 years	
Risk-free interest rate	2.10%	2.09%	1.98%	1.98%	1.96%

1. On 11 October 2017, 5,700,000 unlisted options over ordinary shares were granted to key management personnel as set out in the table below under the Company's Incentive Option Plan. Each option is issued for \$Nil consideration and no consideration will be payable upon the achievement of the performance criteria ("Performance Criteria"). The Options will be subject to specific performance criteria, which must be satisfied by the vesting dates, being 30 June 2020 and 30 June 2020.

The Options to be issued to each holder will also be subject to a continuous employment/service vesting/forfeiture condition from the Grant Date to the applicable Vesting Date. However, if employment/service ceases because of death, total permanent disability, redundancy or other special circumstances as determined by the Board, any unvested Options will not lapse as a consequence and will continue to be subject to the Performance Criteria unless otherwise determined by the Board. If the Performance Criteria are not met at the relevant Vesting Date, the Options relating to that Vesting Date will not vest and will lapse.

These options are restricted securities, which were restricted by ASX for a period of 24 months from the date of the reinstatement of the Company's securities to the official quotation on the ASX on 17 October 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 28: SHARE BASED PAYMENT (CONTINUED)

Employee incentive option plan (continued)

NAME	DATE OPTIONS GRANTED	NUMBER OF SHARES UNDER OPTION	EXERCISE PRICE OF OPTION	EXPIRY DATE OF OPTIONS	FAIR VALUE OF OPTIONS AT GRANT DATE
N Joseph	11 October 2017	1,695,000	Nil	11 October 2020	\$0.19
C Joseph	11 October 2017	1,335,000	Nil	11 October 2020	\$0.19
S Smith	11 October 2017	1,335,000	Nil	11 October 2020	\$0.19
A Sonnenberg	11 October 2017	1,335,000	Nil	11 October 2020	\$0.19
		5,700,000			

Performance Criteria:

The number of Options which vest will be determined by:

- the price of the Company's Shares as at the relevant Vesting Date, calculated on the volume weighted average sale price of Shares for the 20 business days immediately preceding the relevant Vesting Date; and
- the Company's revenue calculated on the Company's audited and reported financial results for the 12 months immediately preceding the Vesting Date.

The number of Options that will vest will therefore be determined by the Company's performance against the Performance Criteria for the relevant period, as follows:

VESTING DATE	MAXIMUM NUMBER OF OPTIONS VESTING	TARGET (50% VEST)	MAXIMUM (100% VEST)
SHARE PRICE			
30 June 2020	25% of issued Options	\$0.30	\$0.40
30 JUNE 2020	25% of issued Options	\$0.40	\$0.60
REVENUE			
30 June 2020	25% of issued Options	\$5,500,000	\$7,070,000
30 JUNE 2020	25% of issued Options	\$7,000,000	\$11,560,000

For each Performance Criteria, and at each Vesting Date, the Board will determine how the Performance Criteria are to be measured. A target measure and maximum measure will be established for each Performance Criteria, and Options may vest in accordance with the following scale:

PERFORMANCE	RESULT
LESS THAN TARGET	No Options will vest.
ACHIEVEMENT OF TARGET	50% of Options for that Performance Criteria and Vesting Period will vest.
ACHIEVEMENT OF MAXIMUM	100% of Options for that Performance Criteria and Vesting Period will vest
BETWEEN TARGET AND MAXIMUM PERFORMANCE	50% of the Options for that Performance Criteria and relevant Vesting Date, plus an additional number of Options (calculated on a straight-line basis) between the Target and Maximum measures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 28: SHARE BASED PAYMENT (CONTINUED)

Employee incentive option plan (continued)

2. On 27 June 2018, 4,346,768 unlisted options over ordinary shares at an exercise price of \$0.26 per option were issued to key management personnel and employees under the Company's Incentive Option Plan (refer to ASX Release on 16 October 2017 for a copy of the Company's Incentive Option Plan). The options expire on 31 December 2020 and vest in three tranches as set out below.

NAME	EXERCISE PRICE	EXPIRY DATE	VEST 01-11-18	VEST 01-07-19	VEST 01-07-20	TOTAL	FAIR VALUE ON DATE OF GRANT
KEY MANAGEMENT PERSONNEL							
A Sonnenberg	\$0.26	31 Dec 2020	72,990	72,990	75,202	221,182	\$0.135
C Joseph	\$0.26	31 Dec 2020	63,827	63,827	65,761	193,415	\$0.135
P Pitcher	\$0.26	31 Dec 2020	72,030	72,030	74,213	218,273	\$0.135
S Smith	\$0.26	31 Dec 2020	98,921	98,921	101,919	299,761	\$0.135
Total			307,768	307,768	317,095	932,631	
General Staff	\$0.26	31 Dec 2020	1,126,664	1,126,664	1,160,809	3,414,137	\$0.135
Total			1,434,432	1,434,432	1,477,904	4,346,768	

1. On August 2018, 576,618 unlisted options over ordinary shares at an exercise price of \$0.26 per option were issued to employees under the Company's Incentive Option Plan (refer to ASX Release on 16 October 2017 for a copy of the Company's Incentive Option Plan). The options expire on 31 December 2020 and vest in three tranches as set out below.

NAME	EXERCISE PRICE	EXPIRY DATE	VEST 01-11-18	VEST 01-07-19	VEST 01-07-20	TOTAL	FAIR VALUE ON DATE OF GRANT
General Staff	\$0.26	31 Dec 2020	190,617	190,617	195,384	576,618	\$0.0710

2. On 22 August 2018, the Company issued 2,400,000 unlisted options over ordinary shares to Sean Smith under the Company's Incentive Option Plan for \$Nil consideration. The options vested immediately and are exercisable on or before 22 August 2020. The options are however subject to escrow from the date of issue until 1 August 2019. These Options have a fair value at date of grant of \$0.1606 per option. Mr Smith is Head of the Mobile Division of the Company.
3. On 17 December 2018, 636,545 unlisted options over ordinary shares were granted to Key Management Personnel as part of compensation under the Company's Incentive Option Plan (refer to ASX Release on 16 October 2017 for a copy of the Company's Incentive Option Plan) as approved by Shareholders at the Annual General Meeting held on 30 November 2018. There are no performance conditions. All options issued under the Company's Incentive Option Plan require the holder of the options to satisfy employment conditions for the options to vest. Details are set out below.

NAME	EXERCISE PRICE	EXPIRY DATE	VEST 01-07-19	VEST 01-07-20	VEST 01-07-21	TOTAL	FAIR VALUE ON DATE OF GRANT
N Joseph	\$0.26	17 Dec 2021	78,060	78,060	80,425	236,545	\$0.0685
D Fisher	\$0.26	17 Dec 2021	133,333	133,333	133,334	400,000	\$0.0685
Total			211,393	211,393	213,759	636,545	

4. On 10 May 2019, the Company issued 1,600,000 unlisted options over ordinary shares to Giuseppe Porcelli under the Company's Incentive Option Plan for \$Nil consideration as approved by Shareholders at the General Meeting held on 3 April 2019. The options vested immediately and are exercisable on or before 8 August 2021. These Options have a fair value at date of grant of \$0.0297 per option.

All options issued under the Company's Incentive Option Plan require the holder of the options to satisfy employment conditions for the options to vest.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 28: SHARE BASED PAYMENTS (CONTINUED)

Other options

A reconciliation of share-based payment arrangements that existed during and at the end of the reporting period and the 2019 comparative reporting period are set out below:

OPTIONS	2020 NUMBER	2019 NUMBER
Balance at the beginning of the period	13,659,931	10,046,768
Granted	-	5,213,163
Forfeited	(1,600,000)	-
Exercised	-	-
Expired	-	-
Outstanding at the end of the period	13,659,931	15,259,931
Exercisable at year end	4,025,049	5,625,049

All options granted are for fully paid ordinary shares in Mobecom Limited, which confer a right of one ordinary share for every option held.

During the reporting period the Company issued 5,554,131 Placement Options for no consideration to the subscribers of the Placement Shares on a 2 Placement Options for each 3 Shares acquired basis as approved by Shareholders at the General Meeting held on 31 July 2018. Each Placement Option expires on 30 June 2020 and has a strike price of \$ 0.29.

During the 2019 comparative reporting period, the Company issued 4,980,499 options over ordinary shares at an exercise price of \$0.26 each for services related to the October 2017 Placement. The options expire three years from date of issue. The options vest immediately and have a fair value of \$590,687 which has been deducted directly against equity.

The following share-based payment arrangements were in existence during the current reporting period. Series (ii) and Series (iii) were also in existence during the 2017 comparative reporting period of Mobecom Limited (Parent legal entity).

OPTIONS SERIES	NUMBER GRANTED	NUMBER VESTED	GRANT DATE	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE AT GRANT DATE
Series (i) *	4,980,499	4,980,499	11 Oct 2017	11 Oct 2020	\$0.26	\$0.1186
Series (ii) *	50,000	50,000	21 Feb 2017	21 Feb 2020	\$0.26	\$0.1180
Series (iii) *	65,000	65,000	19 May 2017	19 May 2020	\$0.26	\$0.1180
Series (iv)	5,554,131	5,554,131	22 Aug 2018	31 Dec 2020	\$0.29	\$0.0710
Total	10,649,630	10,649,630				

*These options are restricted securities, which were restricted by ASX for a period of 24 months from the date of the reinstatement of the Company's securities to the official quotation on the ASX on 17 October 2017.

INPUTS INTO THE OPTION VALUATION MODEL	SERIES (i)	SERIES (ii)&(iii)	SERIES (iv)
Grant date share price	\$0.20	\$0.20	\$0.169
Exercise price	\$0.26	\$0.26	\$0.29
Expected volatility	100%	100%	120%
Option life	3 years	3 years	2.33 years
Risk-free interest rate	4.75%	4.75%	1.98%

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 29: RELATED PARTY TRANSACTIONS

- a) Interests in controlled entities are disclosed in Note 21.
- b) Key management personnel remuneration details and equity holdings are disclosed in the Remuneration Report in the Directors' Report.
- c) Directors' fees and other payables owing to related parties are disclosed in Note 11.

NOTE 30: DIVIDENDS

The Board of directors has recommended that no dividend be paid.

NOTE 31: CONTINGENT ASSETS, LIABILITIES AND GUARANTEES

Options announced to the market during the period have not been issued and not brought to account during the financial year.

DIRECTORS' DECLARATION

1. In the opinion of the Board of Directors of Mobecom Limited:
 - a. the consolidated financial statements and notes of Mobecom Limited are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
 - ii. Complying with the Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b. There are reasonable grounds to believe that Mobecom Limited will be able to pay its debts as and when they become payable.
2. The Directors have been given the declaration required by Section 295A of the *Corporations Act 2001* from Iain Dunstan who is Executive Chairman and Chief Executive Officer.
3. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Board of Directors:



Iain Dunstan
Executive Chairman

Date: 2 November 2020

**MOBECOM LIMITED ABN 47 125 688 940 and Controlled Entities****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MOBECOM LIMITED and Controlled Entities****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Mobecom Limited (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter on Going Concern

We draw your attention to Note 1 on going concern in the financial report, which indicates that the Group incurred an operating loss of \$8,888,999 and net cash outflows from operating activities of \$3,070,663 during the year ended 30 June 2020 and, as of that date, the Group's current liabilities exceeded its current assets by \$5,450,119 with total net deficiency of \$5,128,885. As stated in Note 1, these events and conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt of the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

How Our Audit Addressed the Key Audit Matters

Going Concern

Following operating losses and cash flow deficits, there is a heightened degree of judgement as to the group's ability to continue as a going concern through the assessment period. Accordingly, we considered the appropriateness of the going concern assumption, the question as to whether there is a material uncertainty and the adequacy of management's disclosure to be a key risk.

We have challenged the key assumptions in management's forecast cash flows for the next 12 months (base case and downside possibilities) by:

- comparing the cash flow forecasts with the Board approved budget, and obtaining explanations for any significant differences;
- reviewing agreements to defer repayment or convert debt to equity
- assessing the planned levels of operating and capital expenditure for consistency with our knowledge of the Group's future commitments and results, particularly in light of loss making operations, and our understanding of business, industry and economic conditions of the Group;
- reading Directors' minutes to understand the Group's ability to raise additional funds
- assessing the historical accuracy of forecasts prepared by management;
- testing the mechanical accuracy of the model used;
- performing stress tests for a range of reasonably possible scenarios on management's cash flow for the going concern period;
- challenging management's plans for mitigating any identified exposures, obtain additional sources of Financing; and
- considering whether the disclosures relating to going concern referred to in the basis of preparation section of the accounting policies are balanced, proportionate and clear.



Capitalisation and impairment of Software Development costs

During the period the Group incurred costs of \$765,481 for development of its new Mosaic platform.

As detailed in Note 9 to the financial statements this was capitalised as software development costs.

We evaluated the appropriateness of capitalisation policies, performed tests on costs capitalised and assessed impairment assumptions.

In performing these procedures, we considered the judgements made by management including:

- the nature of underlying costs capitalised as part of the cost of the software development; and
- the appropriateness of the directors assessment for indicators of impairment.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable matters, relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 22 of the Directors' Report for the year ended 30 June 2020.

In our opinion the Remuneration Report of Mobecom Limited for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

MNSA PTY LTD

MNSA PTY LTD

Mark Schiliro
Director

Dated in Sydney this 2nd day of November 2020

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Additional information as at 25 October 2020 required by the Australian Securities Exchange and not disclosed elsewhere in this report.

In accordance with ASX listing rule 4.10.19, the Company confirms that it has used the cash and assets in a form readily convertible to cash that it had at the time of re-compliance with chapters 1 and 2 of the ASX Listing rules in a way consistent with its business objectives.

Home Exchange

The Company is listed on the Australian Securities Exchange. The Home Exchange is Sydney.

Ordinary shares

As at 25 October 2020, the issued capital comprised of 291,434,345 fully paid ordinary shares (ASX code: MBM) held by 979 holders. There were 11,454,365 shares held in unmarketable parcels of \$500 or less, by 806 individual shareholders.

Options

As at 25 October 2020, the Company had the following unlisted options over ordinary shares on issue:

DATE OPTIONS GRANTED	NUMBER OF HOLDERS	NUMBER OF SHARES UNDER OPTION	EXERCISE PRICE OF OPTION	EXPIRY DATE OF OPTIONS
21 February 2017	1	50,000	\$0.26	21 February 2020
19 May 2017	2	65,000	\$0.26	19 May 2020
11 October 2017	4	5,700,000	\$Nil	11 October 2020
11 October 2017	1	4,980,499	\$0.26	11 October 2020
27 June 2018	31	4,346,768	\$0.26	31 December 2020
22 August 2018	24	5,554,131	\$0.29	30 June 2020
22 August 2018	2	576,618	\$0.26	31 December 2020
22 August 2018	1	2,400,000	\$Nil	22 August 2020
17 December 2018	2	636,545	\$0.26	17 December 2021
10 May 2019	1	1,600,000	\$Nil	08 August 2021
10 July 2019	1	2,947,135	\$0.05	10 July 2022
Total		28,856,696		

Class of Shares and Voting Rights

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote on a show of hands and one vote for each share held on a poll.

A member holding partly paid shares is entitled to a fraction of a vote equivalent to the proportion which the amount paid up bears to the issue price for the share.

On Market Buy Back

There is no on market buy-back.

Restricted Securities

There were no restricted securities as at 25 October 2020.

Distribution of Shareholders

The distribution of each class of equity was as follows:

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Fully Paid Ordinary Shares

RANGE	NUMBER OF HOLDERS	NUMBER OF SHARES	PERCENTAGE
1 - 1,000	183	61,183	0.020
1,001 - 5,000	263	653,939	0.220
5,001 - 10,000	106	841,290	0.290
10,001 – 100,000	248	9,227,704	3.170
100,001 and over	179	280,650,229	96.300
Total	979	291,434,345	100.00

Substantial Shareholdings

At 25 October 2020, the Register of Substantial Shareholders showed the following:

RANK	NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE
2	Lakeba Ventures Pty Ltd	45,239,768	15.523%
2	Hotazel Holdings Pty Ltd	27,358,272	9.387%
3	HSBC Custody Nominees	19,715,635	6.765%
4	Berne No 132 Nominees Pty Ltd	19,172,424	6.579%

Twenty Largest Shareholders

At 25 October 2020, the twenty largest shareholders held 67.216% of the fully paid ordinary shares as follows:

1	LAKEBA VENTURES PTY LTD	45,239,768	15.523%
2	HOTAZEL HOLDINGS PTY LTD	27,358,272	9.387%
3	HSBC CUSTODY NOMINEES	19,715,635	6.765%
4	BERNE NO 132 NOMINEES PTY LTD	19,172,424	6.579%
5	MR AUBREY JOHN SONNENBERG	12,472,992	4.280%
6	MR WILLIAM PATRICK PITCHER	12,331,986	4.231%
7	WHATSNXT PTE LTD	9,669,763	3.318%
8	MARLEY HOLDINGS PTY LTD	8,751,451	3.003%
9	JASON BROWN PTY LTD	7,250,000	2.488%
10	IRONFURY PTY LTD	5,000,000	1.716%
11	ORCA CAPITAL GMBH	3,933,107	1.350%
12	MR SEAN ROBERT SMITH	3,502,992	1.202%
13	LOMACOTT PTY LTD	3,218,040	1.104%
14	MRS VICKI KAZACOS &	2,940,781	1.009%
15	MRS JANE SINGH	2,666,666	0.915%
16	MR JASON DAVID BROWN	2,597,929	0.891%
17	PAMELA VAN ZYL &	2,569,044	0.882%
18	CHEMBANK PTY LIMITED	2,500,000	0.858%
19	MR ROBERT TODD RUPPERT	2,500,000	0.858%
20	M COLE PTY LTD	2,500,000	0.858%
	Total Securities of Top 20 Holdings	195,890,850	67.216%
	Total of Securities	291,434,345	