

RNS Acquisition

Proposed Acquisition

MOBILITYONE LIMITED

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MobilityOne Limited
("MobilityOne", the "Company" or the "Group")

Proposed acquisition of 50% shareholding in OneTransfer Remittance Sdn Bhd

Update on acquisition of Tanjung Pinang Resources Sdn Bhd

MobilityOne (AIM: MBO), the e-commerce infrastructure payment solutions and platform provider, is pleased to announce that MobilityOne Sdn Bhd ("**M1 Malaysia**"), the Group's wholly owned operating subsidiary in Malaysia, entered into an agreement (the "**Agreement**") on 26 February 2021 to acquire the 50 per cent. shareholding the Group does not already own in OneTransfer Remittance Sdn Bhd ("**OTR**") (the "**Acquisition**"). OTR provides international remittance services in Malaysia.

The total consideration for the Acquisition of RM3,000,000 (equivalent to c.£531,000*) has been paid to the vendors from the Group's existing cash resources. The Acquisition is conditional upon the written approval of Bank Negara Malaysia (the central bank for Malaysia) ("**BNM**") being obtained within three months from the date of the Agreement.

Background on OTR and rationale for the Acquisition

OTR is incorporated in Malaysia and provides international remittance services in Malaysia. It currently holds a remittance business licence issued by BNM and has six outlets in Malaysia. MobilityOne currently owns, via M1 Malaysia, 50% of OTR and upon completion of the Acquisition the Group will own the entire issued share capital of OTR.

OTR is also acting as one of the correspondence remittance companies for MoneyGram Payment Systems, Inc. ("**MoneyGram**") in Malaysia enabling the customers of OTR to send and receive money via MoneyGram's global platform. OTR currently offers physical outlets and has recently started e-remittance services via its digital remittance platform.

E-remittance is a key component of the Group's e-payment and fintech ecosystem. Following the agreement entered into with MoneyGram in July 2020, OTR also intends to progress a strategy to partner with other reputable international partners to grow the e-remittance business.

Following completion of the Acquisition, the Group's 100% interest in OTR will be consolidated in the Group's annual report and accounts. The Group's existing 50% interest in OTR is currently treated as an associate company of M1 Malaysia and has therefore not been previously consolidated in the Group's annual report and accounts.

For the year ended 31 December 2019, OTR reported revenue of RM976,815 (equivalent to c.£170,895*) and generated a loss before tax of RM457,396 (equivalent to c.£80,960*). As at 31 December 2020 OTR owes MobilityOne a total of RM1,093,521 (equivalent to c.£193,550*) as a result of previously incurred costs.

Given the comparative small size of OTR when compared to the existing Group, the Acquisition is not expected to have a material impact on the Group's current revenue or earnings nor is it expected to have a material contribution to the growth prospects of the Group. There are currently a total of 38 companies with remittance licences from BNM and the Board believes it is unlikely that BNM will issue any new remittance licences in the near future. As such the Board believes the Acquisition does have strategic importance to the Group and will be important for the Group's future expansion plans notwithstanding the relative size of OTR.

Terms of the Acquisition

The total consideration paid by the Group to the vendors of OTR is RM3,000,000 (equivalent to c.£531,000*) in cash from the Group's existing cash resources. The vendors of OTR are Azlan Shah bin Jaffril (34.9% of OTR's share capital) and Anil Kumar Chigurupati (15.1% of OTR's share capital).

The Acquisition is conditional upon the written approval of BNM being obtained within three months from the date of the Agreement. Should this condition not be fulfilled then the principal vendor, Azlan Shah bin Jaffril, has, pursuant to the terms of the Agreement, undertaken to refund the consideration of RM3,000,000 (equivalent to c.£531,000*) to the Group following which the Agreement would be terminated.

Update on Acquisition of Tanjung Pinang Resources Sdn Bhd

On 14 December 2020 the Group announced that M1 Malaysia had entered into an agreement to acquire the entire issued share capital of Tanjung Pinang Resources Sdn Bhd ("TPR"). TPR's principal business activities are to provide money-changing and remittance agent services in Malaysia. TPR holds a money changing licence from BNM which is complementary to OTR. As noted in the announcement of 14 December 2020, TPR's licence is valid through to 27 March 2022 and capable of extension with the approval of BNM. Further details on TPR and the agreement entered into with TPR are provided in the Group's announcement of 14 December 2020.

As at the date of this announcement, BNM has yet to approve the Group's acquisition of TPR and as such the acquisition of TPR has not been completed. There can be no guarantee at this stage that completion will take place.

Further announcements on the status of the acquisition of TPR will be made at the appropriate time.

Dato' Hussian A Rahman, CEO of MobilityOne, commented: *"Following completion of the Acquisition and with full ownership control of OTR, the Group will be better placed to drive the future growth of the OTR business."*

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**Based on exchange rate as on 28 February 2021 of RM:0.177 GBP*

About the Group:

MobilityOne provides e-commerce infrastructure payment solutions and platforms through its proprietary technology solutions. The Group has developed an end-to-end e-commerce solution which connects various service providers across several industries such as banking, telecommunication and transportation through multiple distribution devices including EDC terminals, mobile devices, automated teller machines ("ATM") and internet banking. The Group's technology platform is flexible, scalable and designed to facilitate cash, debit card and credit card transactions from multiple devices while controlling and monitoring the distribution of different products and services.

For more information, refer to our website at www.mobilityone.com.my

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