

Tenancy agreement & ordinary course transactions

MOBILITYONE LIMITED

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11 February 2022

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

Entry into tenancy agreement and ordinary course commercial transactions

MobilityOne (AIM: MBO), the e-commerce infrastructure payment solutions and platform provider, announces that, MobilityOne Sdn Bhd ("**M1 Malaysia**"), a wholly-owned subsidiary of the Group incorporated in Malaysia, has entered into a tenancy agreement with LMS Digital Sdn Bhd ("**LMS**") to occupy approximately 4,500 square feet of office space at Wisma LMS, Kuala Lumpur, Malaysia (the "**Wisma LMS Office**") (together the "**Tenancy Agreement**").

The current office owned by M1 Malaysia, at Megan Avenue II in Kuala Lumpur, Malaysia, has a total floor size of 2,800 square feet and is, accordingly, insufficient for catering the growing staff needs of M1 Malaysia and its subsidiaries (together the "**M1 Group**"). The Wisma LMS Office, located in the Off Jalan Raja Muda Abdul Aziz district in Kuala Lumpur, is approximately 4,500 square feet in size and therefore offers the necessary staff space for the M1 Group. Currently, the M1 Group is occupying the Wisma LMS Office rent-free ("**Rent Free Period**") and has simultaneously been renting out the Megan Avenue II office for RM2.50 per square feet, which is also the square feet rate that is payable in relation to the Wisma LMS Office.

Pursuant to the terms of the Tenancy Agreement, M1 Malaysia will pay a monthly rental fee of RM11,250 to LMS on the first day of each succeeding month which is payable on or before the seventh day of the month. M1 Malaysia will not be required to pay any rental deposit, utility deposit or any historic consideration in relation to the Rent Free Period as part of the Tenancy Agreement. The Tenancy Agreement will commence on 1 March 2022 and will be for a minimum period of one year and will automatically renew on a yearly basis unless either party gives three months' notice to the other party to terminate.

The Group does not anticipate any revenue or earnings contribution from the Tenancy Agreement to the Group.

Ordinary course commercial transactions

The Company is pleased to further announce that M1 Malaysia and TFP Solutions Berhad ("**TFP**") have agreed the terms that will form the basis of several ordinary course commercial transactions (otherwise known as "**Business Transactions**"), details of which are outlined below. MBP Solutions Sdn Bhd ("**MBP**"), a wholly-owned subsidiary of TFP (listed on the ACE Market of the Malaysia Stock Exchange), is an agent and reseller for the products and services of M1 Malaysia. This includes since December 2018 acting as agent and reseller of mobile phone prepaid airtime reload, bill payment and any other products and services to be provided by M1 Malaysia. The current business activities of TFP and its subsidiaries (together the "**TFP Group**") include providing network security, IT solutions, SAP products, human resource management solutions, mobile telecommunications services and a mobile fintech platform.

The Business Transactions are revenue in nature and are not expected to generate material profit for the Group.

Nature of Business Transaction	Estimated annual amount*
M1 Group to charge TFP Group for development work to integrate eWallet/eMoney into TFP Group's services and white labelling the eWallet/eMoney.	RM50,000 to RM100,000

Nature of Business Transaction	Estimated annual amount*
M1 Group to charge TFP Group for various value added services (including prepaid top-up and bill payment) to be provided by M1 Group. Charges are to be based on revenue/gross profit sharing as a channel partner.	RM1,000,000 to RM5,000,000 of revenue from end consumers and both parties to share certain percentages of gross profit from the revenue of various value added services
M1 Group to charge TFP Group for using M1 Group's online payment gateway. Amount charged to be based on percentage of payment.	RM50,000 to RM100,000
M1 Group to charge TFP Group for SMS blasting services. Amount charged to be based on usage and quantity of SMS.	RM50,000 to RM100,000
M1 Group to charge TFP Group for using M1 Group's payment terminals and online payment to accept payment via credit/debit cards and eWallets. Amount charged to be based on commission/discount rate sharing.	RM50,000 to RM100,000
TFP Group to charge M1 Group for SAP Business One software licenses. Amount to be charged by TFP Group will be based on TFP Group's standard implementation and maintenance costs.	RM20,000 to RM50,000

* The actual amount may vary, depending on the business growth and requirements.

The Business Transactions (other than SAP Business One) will allow the M1 Group to earn additional income from TFP Group and its business network. The M1 Group has been using SAP Business One software for many years. Since TFP Group is in the business of providing SAP products and services and is a business partner of the M1 Group, the transactions in connection with SAP Business One are expected to enhance the working relationship between the two groups.

Related party transaction disclosure

Dato' Hussian A. Rahman ("**Hussian**") is a director of the Company and M1 Malaysia as well as a substantial shareholder of the Company. Hussian is also a director of LMS and TFP respectively and a substantial shareholder of LMS and TFP respectively. Accordingly, the entry into the Tenancy Agreement and the Business Transactions outlined above are related party transactions under the AIM Rules. The Directors of the Company (excluding Hussian who is not considered to be independent as he is a director of LMS and TFP respectively and a substantial shareholder of LMS and TFP respectively) consider, having consulted with the Company's nominated adviser, Allenby Capital Limited, that the terms of the Tenancy Agreement and the Business Transactions are fair and reasonable insofar as the Company's shareholders are concerned.

For further information, please contact:

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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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