

EXECUTIVE SUMMARY – US \$1.5 MM PRIVATE PLACEMENT



OVERVIEW

With the evolution of blockchain technology, the finance world has discovered the innovative features of Digital Financial Instruments (DFIs), which are revolutionizing conventional Initial Public Offerings (IPOs) to facilitate the distribution of company shares, dividends, and voting rights over the blockchain networks. A Digital Financial Instrument is designed and offered to investors in compliance with all US Securities & Exchange Commission (SEC) and other regulatory requirements.

MOBU, a technology-enabled digital investment bank streamlines the capital formation process by issuing securities and ensuring cheaper and faster transacting. MOBU aims to upgrade current inefficient capital markets to ensure more automation and fewer middlemen for corporate efficiency and interoperability to become the global primary and secondary market. Furthermore, the Company allows for global investors to set up bank accounts in minutes and give them freedom to spend, send and receive money worldwide. MOBU is the full infrastructure solution for the next generation of assets which Deloitte believes will reach 10% of global GDP by 2027.

The Problem:

Only 34% of adults in sub-Saharan Africa have bank accounts or access to formal financial services, even after banks have been in Africa for 50 years. The African continent currently receives less than 1% of global venture capital deal flow. No credit card solution exists for digital assets for Africa, the second largest continent of the world. Current capital markets are inefficient, characterized by high fees, too many middlemen and slow transaction times. Cross border transfers via non-bank channels in Africa has an average fee of as high as 16%. Current investment banks charge high fees and are very timely to assist companies in raising

capital. Currently, it is difficult for Cannabis and blockchain companies to open bank accounts. Crowdfunding platforms do not always have investment banking experience to close deals and sometimes allow weak companies to list that compromise the reputation of the platform. Very few people know how to execute a security token offering compliantly.

The Opportunity:

MOBU has a strong position in a high growth region and has the potential to take over the digital currency market in the Middle East and Africa (MEA) region.

- Investment banking in Africa is emerging, and the majority of the market is untapped and underutilized. MOBU will take the market by storm since it is the only player.
- The global digital currency market size has a high of USD \$800Bn - MOBU will infiltrate the MEA market before any other competitors and with the bitcoin halving expected in 2020 a price surge in digital assets is expected.
- Phone users in Africa increased from 3% to 80% over the past decade allowing for better banking solutions. Remittance via mobile is picking up at a rapid pace.
- Half of almost 300 million registered mobile money accounts globally are located in sub-Saharan Africa
- Africa has 30% of the natural resources of the world, 60% of the arable land and is expected to represent 40% of the world population by 2100.
- A report compiled by the University of Cambridge estimated total crowdfunding activity in Africa to exceed R30 Billion by 2025.
- Chain Partners Research projects the security token market size will grow to USD 2 Trillion USD by 2030 with a 59% compound annual growth rate (CAGR).

The Solution:

MOBU offers a full-service platform to provide the following functions:

1. **Capital raising for startups and established businesses** (equity and security tokens) to provide access to a wider investor group. Ensuring compliance and strong vetted projects on the Platform as Investment banking is reputational banking. MOBU adds an Artificial Intelligence element to assist investors in digesting project information and ensuring more deals are successfully closed. Technology driven and automated for the fastest and most comprehensive capital raising process. MOBU will be the first to monetize the aftermarket by compelling companies on the issuance platform to comply with MOBU's standard reporting requirements to investors.
2. **Streamlined securities trading on a secondary market** – Blockchain allows for faster change of ownership, less middlemen as it replaces clearing and settlement processes, faster execution that complies with the companies act and global securities laws in determining accreditation status of investor and online KYC/AML. Trading fees are effectively lowered from 3-5% to 0.1-0.25% on average and corporate actions (dividends, voting) are automated which amounts to a fee of roughly 10Bn USD per annum. The clearing broker rules are baked into MOBU protocol as is the SEC security rules.

3. **Borderless payment/banking solution for global investors** - MOBU Cash offers a VISA- and Mastercard approved debit card service with easy fiat currency conversion to 21 global currencies on one Platform in a very user-friendly and convenient manner. Send and receive money through multiple channels anywhere in the world. Fast, secured and easy to use as a borderless banking solution.

COMPANY STRATEGY

First Function: STO Issuance/Crowdfunding Platform

The first step in the Company's strategy is to fully develop the MOBU Issuance/Crowdfunding Platform, a blockchain-based infrastructure to support entrepreneurs, startups, and established businesses looking to raise capital. Those seeking to raise capital will perform regulatorily compliant security token offerings (STOs) or equity investments. The Platform will be fully developed under guidance of advisor, Steve Cinelli, who co-founded Offroad Capital which had been one of the most successful crowdfunding platforms ever built. He strongly believes that MOBU can raise between 1-2Bn USD per annum within 3 years for companies on the Platform. MOBU built a database of over 2000 venture capital funds and accrued close to 100,000 investors globally to ensure deals on the Platform get funded.

What has a greater lifetime value? A traditional investor for 10m USD or (B) 20,000 customers who invest \$500 each? Customers who invest in your idea, product or business provide you with what VCs, Angels and other institutional money seeks to attain, sales. Did you know that 40-60% of traditional investor funding goes towards customer acquisition, to achieve sales? Customer-investors bring a sales force of customers who have literally bought into your business' success. Since Investment banking is relationship/reputational banking, MOBU will vet projects and allow only the top projects to get funded on the Platform.

Unlike Platforms that exist out in the market, all of which use separate data rooms and downloadable PDF files for diligence, MOBU designed all the disclosures in HTML/XML, including the financials (rather than excel spread sheet downloads). The reason for this is that investors rarely read investment documents like a novel, i.e., from cover to cover. Most investors browse say from the summary to the management to the financials, to the cap table, back to industry, and company description, etc. By writing in HTML, MOBU built in hyperlinks between subject matters, say financial data, so that the investor is able to easily move to the new section instead of scrolling from page to page. The investor remains engaged and interested in what MOBU has to offer. Financial disclosures, historical and projected, are disclosed in an embedded excel spreadsheet in our HTML wrapper, thus allowing investors to do their own sensitivity analysis, for example, faster or slower sales growth, within our environment. This analysis will go beyond the typical financials (PL, SC, BS) but into a valuation and IRR analysis, factoring in future rounds of financing which would incur dilution. MOBU already have strong companies in pipeline to on board.

Three other notable elements: First, we will have a TV studio which we conduct a live webcast of a management team interview, where the team will moderate and questions could be posed by the in-studio audience, but also the web investor community (AMA's – ask me anything). We will embed the video and the transcript into the memorandum for those who missed the live broadcast.

Secondly, MOBU may allow the market to price the issue, setting up a Vickery auction protocol to achieve final price. Specifically, if it was a hot issue and the demand was strong, the company who may be trying to raise \$8 million by selling 2,000,000 shares at \$4/share, might see the demand force the price per share higher, say to \$5. Effectively the company raises more money at a higher pre-money valuation, as the same number of shares that were sold as originally planned.

Thirdly, both for proper discipline and as another way for the Platform to monetize the relationship (and create a recurrent revenue stream), MOBU designed a series of “reporting modules”, similar to 10-Qs, for private companies, which they are required to complete quarterly. These reporting formats are standardized and require the companies to share financial, operating, and strategic and management information, as well as provide comparative analysis, such as performance to plan. Companies will welcome it as private companies do not generally report a listed company, so investors in the private entity would call CEOs or CFOs asking redundant questions. By furnishing investors with this information in advance a great deal of management time is saved and greater discipline is created. MOBU benefits in several ways. A quarterly fee is charged for every company creating new recurrent revenues. Since MOBU has all the financial information of the companies on the Platform at its disposal, MOBU will be able to assimilate their information into the new offering if a company for example wishes to do a floatation of shares – this can be seen as vertical integration.

The technology to improve the UX is considerable - living documents, multi-media, self-sensitivity analysis, et al — all defined under the rubric of “financial entertainment”. MOBU already has a strong investor database to connect the projects to and will additionally use google ad word target marketing to channel more investors to the vetted projects on the Platform.

Second function: Streamlined digital exchange

A strong synergy exists between the issuance platform and the stock exchange allowing secondary trading/liquidity for all investors to exit their investments in the primary market and also feed the exchange with new business and listings. MOBU is in the process of acquiring equity in an existing operational profitable stock exchange with current revenue of 30M USD per annum under which license the digital exchange will operate.

Blockchain technology has demonstrated its ability to greatly improve the level of issuance, trading and management of securities. Capital market participants are adapting to this digital evolution in order to save time, dramatically increase efficiency and stay relevant. MOBU's custody solution streamlines all major transfer agent functions including issuance, custody, transfer, querying, reporting, affiliating and releasing while offering transfer agents

with the ability to fulfill the same role for digital securities as they do for traditional securities. All transactions are cryptographically secure with timestamped transaction records stored on the Ethereum public blockchain. MOBU build its technology to be as decentralized as possible without sacrificing critical investor protections and compliance. This US compliant focused technology allows for the following:

- Dollarized trading, transparent, on-chain order book and execution
- Secure trading through smartphone apps
- Programmed investor protections
- Integrated KYC/AML compliant on boarding
- Paying agent tools for instantaneous dividends & distributions
- Compliance with SEC Rule 17A-4(F) & automated compliance (Rule 144)
- Custody solutions post digital securities offering
- Reduce duplication and ensure safe transparent custodianship of assets

There are approximately 630 000 listed companies worldwide and every one of them is a potential client.

Third function: Borderless Bank - MOBU Cash

Africa is the largest unserved market that has dropped out of sight of the global financial system. Some estimation suggest that there are ~330 million adult Africans, who lack access to formal financial services, which signifies tremendous opportunities for financial technology companies that are ready to embrace them.

MOBU formed a JV partnership with an existing payment solution but with the sole mandate for the MEA region. This existing Neobank offers very low fees, free monthly accounts and allows for easy cross border transfers all regulated under FCA to ensure compliance.

MOBU has set aside a certain number of MOBU tokens to compensate referrals for MOBU Cash clients for mass adoption. This is also the first debit card solution for digital assets for the second largest continent of the world. Clients will have their own virtual IBAN`s to easily transfer money from anywhere to anywhere.

The MOBU solution summarized serves everyday investors using modern technology to increase liquidity in capital markets and to increase corporate efficiency, cut costs, increase transparency, streamline processes, and adopt more automation. MOBU looks to become the primary private market for the second largest continent of the world with an Artificial Intelligence (AI) element to assist users in digesting information and ensuring more deals gets done. MOBU is already featured in **Forbes, Reuters, NASDAQ and Yahoo Finance**.

TEAM SUMMARY

MOBU has constructed a team of highly experienced entrepreneurs, blockchain experts, and financial professionals, who are supported by an advisory board with extensive public company experience.

Juan Engelbrecht, Founder & Chief Executive Officer

A proven entrepreneur and CEO, Mr. Engelbrecht founded one of the largest crypto mines in the southern hemisphere. Prior to that, Mr. Engelbrecht was the CEO for Evolve Fund Managers, as well as a Stockbroker and Portfolio Manager.

Brian Golding, Chief Investment Officer

Formerly the CEO of the largest proprietary stockbroking firm in South Africa, Mr. Golding is a well-respected Financial Markets Professional, in addition to being a Member of the South Africa Institute of Stockbrokers.

Paresh Masani, Blockchain Engineer

Formerly the Vice President of Goldman Sachs, Mr. Masani specializes in technology and has more than 10 years' experience as Technical Lead and full-stack Developer for some of the critical banking and finance projects. Paresh is also an expert in security, cryptography, blockchain technology, and end-to-end system development.

Paul Pelser, Chief Financial Officer

With over 15 years of experience, Mr. Pelser is a Chartered Accountant, Registered Auditor, and Chief Audit Executive. Paul was a partner in Zaber Import Export which was the largest crypto mining operation in the southern hemisphere.

Frikkie van Biljon, Chief Technology Officer

Mr. Biljon has over 10 years of software engineering experience specializing in business-technology synthesis. Most recently, he was the Technical Lead of Web Development for BBD. Prior to this, Frikkie was Head Technical Developer for Momentum, a listed company on the JSE.

DEAL STRUCTURE

- **Issuer:** Zabercoin (Pty) Ltd. dba MOBU, a limited liability company formed under the laws of the Republic of South Africa.
- **Issue Size:** US \$1.5 million, representing the sale of 3,000,000 common shares.
- **Issuer Price:** US \$0.50 per share.
- **Minimum Purchase per Investor:** US \$10,000 (or 10,000 shares), however there is no minimum aggregate subscription amount which must be subscribed before the release of proceeds.

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