

## ASX ANNOUNCEMENT AND MEDIA RELEASE

ASX CODE: [MBO](#)

Date: 31 October 2014

### Mobilarm on path to record year

- Record order performance of \$3.9M for the quarter.
- Revenues and receipts from customers of \$1.8M each.

Global marine safety equipment provider Mobilarm Limited (ASX: MBO) today reported first quarter orders reached \$3,813,198, along with revenues of \$1,777,796 and receipts from customers of \$1,826,145. The order total represents a 54% increase from last year. The Company had receipts from customers for the three-month period ended 30 September 2014 of \$1,826,145, a 28% increase over the same quarter last year.

Mobilarm Chief Executive Officer Ken Gaunt commented: "We had a stellar first quarter to start the year. We continue to grow the rental book on a quarterly basis. This builds the long-term recurring cash flows for the business. We continue to augment our rentals with a number of outright purchase sales and increasing service revenues, properly balancing the results for the business. Our latest generation products have been proven to be market leaders and our rental model is a proven solution for customers and for the Company. Our focus now is to accelerate our growth to meet the market's needs. Our pipeline going to the rest of the year is very strong which will deliver both a profitable and record year."

Mobilarm Chief Financial Officer Jorge Nigaglioni commented: "Our first quarter set the Company to achieve its profitable goal for the year. We exit the quarter with a \$3.2M rental book that will yield approximately \$640,000 in revenue per annum. We also have a backlog of purchase and service orders of over \$600,000 that will be delivered during our second quarter, in addition to the orders taken during the second quarter. We also purchased more stock during this quarter to deliver on our existing rental commitments and future pipeline of opportunities. The first quarter was not a one off result. As we keep growing our business, our results will continue to improve. Each new rental contract improves our future quarters performance."

Our results for the quarter and our ongoing rental results are outlined in the following table:

	Orders Received in Prior Periods, not shipped nor amortised.	Orders booked during the period to date	Orders shipped during the period to date	Portion of Rental or Service Order amortised during the period to date	Ending Order Book at Period End
Outright Purchases	\$87,182	\$1,865,094	(\$1,460,988)		\$491,288
Rentals	\$1,503,483	\$1,851,272		(\$144,997)	\$3,209,758
Service Orders	\$98,919	\$185,044		(\$171,811)	\$112,152
<b>Total</b>	<b>\$1,515,220</b>	<b>\$3,901,410</b>	<b>(\$1,460,988)</b>	<b>(\$316,808)</b>	<b>\$3,813,198</b>
Revenue recognised for the period to date (unaudited)			(\$1,460,988)	(\$316,808)	\$1,777,796
Cash Receipt for the year					\$1,826,145

-Ends-

**Further details**

Ken Gaunt

**Chief Executive Officer**

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# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity
Mobilarm Limited

ABN
15 106 513 580

Quarter ended ("current quarter")
30 September 2014

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$	Year to Date (3 Months) \$
1.1 Receipts from customers	1,826,145	1,826,145
1.2 Payments for (a) staff costs	(548,857)	(548,857)
(b) advertising & marketing	(23,412)	(23,412)
(c) research & development	(21,301)	(21,301)
(d) leased assets	-	-
(e) Other working capital	(657,498)	(657,498)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	858	858
1.5 Interest and other costs of finance paid	(724)	(724)
1.6 Income taxes (paid)/received	-	-
1.7 Rental recoveries	-	-
1.7 Purchases of inventory	(967,031)	(967,031)
<b>Net operating cash flows</b>	<b>(391,820)</b>	<b>(391,820)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

		<b>Current quarter</b> \$	<b>Year to Date (3 Months)</b> \$
1.8	Net operating cash flows (carried forward)	<b>(391,820)</b>	<b>(391,820)</b>
1.9	<b>Cash flows related to investing activities</b> Payment for acquisition of:		
	(a) Net cash acquired on acquisition( item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(9,970)	(9,970)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	<b>Net investing cash flows</b>	<b>(9,970)</b>	<b>(9,970)</b>
1.14	<b>Total operating and investing cash flows</b>	<b>(401,789)</b>	<b>(401,789)</b>
	<b>Cash flows related to financing activities</b>		
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	140,456	140,456
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Share issue expenses	-	-
	<b>Net financing cash flows</b>	<b>140,456</b>	<b>140,456</b>
	<b>Net increase (decrease) in cash held</b>	<b>(261,333)</b>	<b>(261,333)</b>
1.21	Cash at beginning of quarter/year to date	890,436	890,436
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	<b>Cash at end of quarter</b>	<b>629,103</b>	<b>629,103</b>

+ See chapter 19 for defined terms.

## **Payments to directors of the entity and associates of the directors**

### **Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A
1.24	Aggregate amount of payments to the parties included in item 1.2	(137,598)
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions Payments were for salaries and director fees and travel.	

## **Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

The Company has equity investments with a value of \$590,982 as at 30 September 2014 that can be converted to cash as part of a convertible note facility. The final realised value is to be determined at the time of the sale. The convertible note expires on the 7<sup>th</sup> of March 2015 and carries an interest rate of 6.0%. The note is convertible by the noteholder upon giving the Company thirty days notice at the lower of \$0.04 per share or the price of any new Entitlements Issue. The note can be converted by the Company at the expiration date at a price that equals 80% of the trailing 30 day VWAP at the time of expiry.

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

## **Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

	Amount available \$A	Amount used \$A
3.1 Loan facilities	\$590,982	\$590,982
3.2 Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A	Previous quarter \$A
4.1	Cash on hand and at bank	580,886	842,219
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Deposits securing guarantees	48,217	48,217
<b>Total: cash at end of quarter</b> (item 1.22)		<b>629,103</b>	<b>890,436</b>


## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	Nil
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

## Compliance statement

- 1 This statement has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Director

Date: 31 October 2014

Print name: Jorge Nigaglioni

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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