

---

## **MBO DELIVERS STRONG SECOND HALF**

- **Reduced second half loss to \$330K for a full year loss of \$975K**
- **Increase in overall revenues of 11%**
- **Restructuring of operations**

**Perth, Western Australia:** Global marine safety equipment provider, **Mobilarm Limited (ASX: MBO)** ("The Company") today reported full year results for the year ended 30 June 2018. Mobilarm reported operating cash outflows of \$1,087,723 on revenues of \$5,519,865. The loss on the second half was reduced to \$329,786, for a full year loss of \$974,475.

Ken Gaunt, Mobilarm's Chief Executive Officer, commented: "It has been an exciting period for Mobilarm in the last half of the financial year. We have announced the sale of our Man Overboard subsidiary Marine Rescue Technologies Ltd (MRT) and the acquisition of Jaxsta Holdings Pty Ltd (Jaxsta). We delivered a major contract to the Canadian Defence in the second half of the year, ahead of its promise date and have been working on continuously growing our rental portfolio.

Our shareholders resoundingly approved the sale of MRT and acquisition of Jaxsta, and we are working to get those transactions to completion in the coming months. We are close to completing this transformation of the Company and are very excited for the future of the operations.

Mobilarm's Chief Financial Officer, Jorge Nigaglioni, commented: "We returned to growth in FY18, but offset these results with transactional costs of the current restructuring activities. Our MRT operation delivered a standalone profit of \$732,299, an increase of 86% over the previous year. This was offset by costs on the acquisition of Jaxsta. The changes approved by shareholders will clean up the balance sheet of the Company so that Jaxsta commences in the best financial position to achieve their near to medium term goals. On the cash front, delays in collection efforts at MRT shifted cash receipts to the first quarter of FY19. Had those collections been completed in FY18, we would have had breakeven operating cash flows for the year.

Ken Gaunt, added: "We will complete the disposal and acquisition during the first half of FY19 and welcome the new Jaxsta team who will lead the next phase of the Company in the years to come."



---

Ken Gaunt  
**Chief Executive Officer**

Perth, Western Australia  
31 August 2018

#### **Further details**

Ken Gaunt  
**Chief Executive Officer**

Email: [keng@mrtsos.com](mailto:keng@mrtsos.com)

Tel.: +61 417 961 770

Tel.: +44 782 731 4442

[www.mobilarm.com](http://www.mobilarm.com)

# APPENDIX 4E

Full Year Report

30 June 2017

## MOBILARM LIMITED

ACN 106 513 580

### Results for announcement to the market

		June 2018	June 2017
Financial Results	Movement	\$	\$
Revenue from ordinary activities	11%	5,519,865	4,970,560
Profit/(loss) from ordinary activities after tax attributable to members	5%	(974,475)	(930,057)
Net profit/(loss) for the period attributable to members	5%	(974,475)	(930,057)

Dividends	Amount per Ordinary Security	Franked amount per security
2017 dividend	Nil	-
2016 dividend	Nil	-

Record date for determining entitlements to interim dividends	N/A
---	-----

Net Tangible Asset/(Liability) Backing	June 2018	June 2017
Net tangible asset/(liability) backing per ordinary security – cents per share	0.1	0.1

**MOBILARM LIMITED**  
**PRELIMINARY STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2018**

		<b>Mobilarm Limited</b>	
	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
<b>Other income</b>			
Interest income		220	1,782
Other income		131,300	-
<b>Operating Expenses</b>			
Employee benefits		(168,390)	(323,423)
Share based compensation expense		(235,729)	(396,544)
Advertising		(450)	(450)
Audit and tax		(79,808)	(37,775)
Accountancy		(15,885)	(15,814)
External consultants and contractors		(369,984)	(73,691)
Rental		(62,946)	(48,793)
Travel and accommodation		(38,397)	(30,829)
Allowance for doubtful debts		(58)	-
Legal fees		(370,169)	(109,724)
Telephone and internet charges		(7,512)	(12,603)
Insurance		(35,586)	(18,131)
Printing, postage and stationery		(3,332)	(2,101)
Finance costs		(344,981)	(246,475)
Rates and land tax		(8,442)	(9,845)
Information technology costs		(13,403)	(13,704)
Foreign exchange (loss)/gain		(12,403)	91,432
Impairment of units under rental		-	(6,449)
Other expenses		(70,819)	(70,649)
<b>Loss before income tax (carried forward)</b>		<b>(1,706,774)</b>	<b>(1,323,786)</b>
Income tax (expense)/benefit		-	-
<b>Loss after income tax from continuing operations</b>		<b>(1,706,774)</b>	<b>(1,323,786)</b>
<b>Discontinued operations</b>			
Profit after tax for the year from discontinued operations		732,299	393,729
<b>Loss after income tax from continuing and discontinued operations</b>		<b>(974,475)</b>	<b>(930,057)</b>
<b>Other comprehensive income</b>			
Foreign currency translation reserve movement		121,723	(155,583)
<b>Total comprehensive loss for the period</b>		<b>(852,752)</b>	<b>(1,085,640)</b>
<b>Basic earnings per share (cents per share)</b>	(13)	<b>(0.2)</b>	<b>(0.2)</b>
<b>Diluted earnings per share (cents per share)</b>	(13)	<b>(0.2)</b>	<b>(0.2)</b>

**MOBILARM LIMITED**  
**PRELIMINARY STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

**Mobilarm Limited**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	(4)	151,685	742,743
Trade and other receivables	(5)	-	1,062,831
Inventories	(6)	-	1,623,394
Other current assets		815,903	1,391,858
		<b>967,588</b>	<b>4,820,826</b>
Assets held for distribution	(3)	<b>5,480,810</b>	-
<b>TOTAL CURRENT ASSETS</b>		<b>6,448,398</b>	<b>4,820,826</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	(7)	-	804,305
Intangible assets and Goodwill	(8)	1,924,818	2,439,333
Investment in other businesses	(9)	1,500,000	1,500,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,424,818</b>	<b>4,743,638</b>
<b>TOTAL ASSETS</b>		<b>9,873,216</b>	<b>9,564,464</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	(10)	165,259	1,550,565
Interest bearing loans and borrowings	(11)	4,105,213	3,599,719
Provisions		54,190	84,250
		<b>4,324,662</b>	<b>5,234,534</b>
Liabilities directly associated with the assets held for distribution	(3)	<b>1,848,357</b>	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,173,019</b>	<b>5,234,534</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		37,410	50,119
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>37,410</b>	<b>50,119</b>
<b>TOTAL LIABILITIES</b>		<b>6,210,429</b>	<b>5,284,653</b>
<b>NET ASSETS</b>		<b>3,662,787</b>	<b>4,279,811</b>
<b>EQUITY</b>			
Contributed equity	(12)	30,601,809	30,601,809
Accumulated Losses		<b>(28,715,166)</b>	(27,740,691)
Reserves		1,776,144	1,418,693
<b>TOTAL EQUITY</b>		<b>3,662,787</b>	<b>4,279,811</b>

**MOBILARM LIMITED**  
**PRELIMINARY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Issued Capital	Accumulated Losses	Stock Option Reserve	Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>As at 30 June 2016</b>	<b>30,601,809</b>	<b>(26,810,634)</b>	<b>1,249,277</b>	<b>(71,545)</b>	<b>4,968,907</b>
Net loss for the period	-	(930,057)	-	-	(930,057)
Other comprehensive income	-	-	-	(155,583)	(155,583)
Total comprehensive loss for the period	-	(930,057)	-	(155,583)	(1,085,640)
Transactions with owners in their capacity as owners					
Share based payments – Performance Shares Rights	-	-	91,929	-	91,929
Share based payments – Stock Options	-	-	304,615	-	304,615
<b>As at 30 June 2017</b>	<b>30,601,809</b>	<b>(27,740,691)</b>	<b>1,645,821</b>	<b>(227,128)</b>	<b>4,279,811</b>
Net loss for the period	-	(974,475)	-	-	(974,475)
Other comprehensive income	-	-	-	121,723	121,723
Total comprehensive loss for the period	-	(974,475)	-	121,723	(852,752)
Transactions with owners in their capacity as owners					
Share based payments – Performance Shares Rights	-	-	58,036	-	58,036
Share based payments – Stock Options	-	-	177,692	-	177,692
<b>As at 30 June 2018</b>	<b>30,601,809</b>	<b>(28,715,166)</b>	<b>1,881,549</b>	<b>(105,405)</b>	<b>3,662,787</b>

**MOBILARM LIMITED**  
**PRELIMINARY STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018	2017
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		4,850,741	5,309,366
Payments to suppliers and employees		(5,882,900)	(4,912,467)
Interest received		611	1,782
Payment for research & development		(13,774)	(95,829)
Income taxes paid		(241,849)	-
Government grants		203,838	-
R&D tax rebate		91,233	63,327
Interest and other borrowing costs paid		(95,624)	(192,453)
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>		<b>1,087,724</b>	<b>173,726</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		-	(8,415)
Payments for shares in other business		-	(1,000,000)
Loans to other entities		249,438	(1,200,000)
<b>NET CASH FLOWS PROVIDED/(USED) IN INVESTING ACTIVITIES</b>		<b>249,438</b>	<b>(2,208,415)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		826,005	2,404,427
Repayment of borrowings		(350,000)	(2,000,000)
<b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		<b>476,005</b>	<b>404,427</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(362,281)</b>	<b>(1,630,262)</b>
<b>CASH AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<b>742,743</b>	<b>2,373,005</b>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>		<b>380,462</b>	<b>742,743</b>

## NOTES TO THE PRELIMINARY FINAL REPORT (UNAUDITED) FOR THE YEAR ENDED 30 JUNE 2018

### 1 CORPORATE INFORMATION

The financial report of Mobilarm Limited (the “Company”) for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of directors on 31 August 2017.

Mobilarm Limited is a Company limited by shares incorporated and domiciled in Australia. The nature of the operations and principal activities of the Company are described in the Director’s Report.

The Company owns three wholly owned subsidiary companies as follows:

Name	Country of Incorporation	Date of Establishment
Marine Rescue Technologies Ltd	United Kingdom	
Mobilarm, Inc.	United States of America	
Rentquip Ltd	United Kingdom	14 June 2013

The Company also owns 50% ownership stake of a joint venture as follows:

Name	Country of Incorporation	Date of Establishment
Mobilarm Nigeria	Nigeria	19 March 2013

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

The preliminary final report has been prepared in accordance with the Australian Securities Exchange Listing Rules as set out in Appendix 4E and in accordance with the measurement and recognition (but not disclosure) requirements of the Australian Accounting Standards, Corporations Act 2001 and other pronouncements of the Australian Accounting Standards.

As such, this preliminary final report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 30 June 2017 and with any public announcement made by Mobilarm Limited during the reporting period in accordance with the disclosure requirements of the Corporations Act 2001.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

The accounting policies and methods of computation are the same as those adopted in the annual financial report for the year ended 30 June 2017.

The financial report is presented in Australian Dollars and all values are rounded to the nearest dollar.

#### (b) Going Concern

This report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.



The Company has incurred a net loss after tax for the year ended 30 June 2018 of \$974,475 (2017: \$930,057) and experienced net cash outflows from operating activities of \$1,087,723 (2017: \$173,726 inflows). As 30 June 2018, the Company had net assets of \$3,662,787 (2017: \$4,279,811).

Notwithstanding the above, the ability of the Company to continue as a going concern is reliant on:

- the completion of the sale of MRT, and/ or
- the completion of the acquisition of Jaxsta, and/ or
- increased cash flows from operations, and/ or
- the raising of funds through a debt or equity issues.

The Directors have reviewed the business outlook and plans of the company and believe that the Company will continue to grow its cash flows from operations to sustain its ability to continue as a going concern if it continues to operate its MRT subsidiary, which will also make the raising of funds more achievable if needed. However, the primary plan is the completion of the sale of MRT and the acquisition of Jaxsta and the long term plans for that business.

Should the entity not achieve the matters set out above, there is significant uncertainty whether the entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

The financial report does not include any adjustments that may be necessary if the Company is unable to continue as a going concern.

### 3 DISCONTINUED OPERATIONS

On 1 February 2018, the Group publicly announced the decision of its Board of Directors to sell the shares of Marine Rescue Technologies Limited (MRT), a wholly owned subsidiary, to shareholders of Secure2Go Pty Ltd (the Buyer). The Buyer will be paying \$6,000,000 for the shares in MRT in three tranches, with \$1,000,000 due at completion, \$1,000,000 due within 12 months of completion and \$4,000,000 by no later than 24 months after completion. On 17 August 2018, the shareholders of the Company approved the plan to sell the shares. The sale of MRT is expected to be completed by 31 October 2018. At 30 June 2018, MRT was classified as a disposal group held for sale and as discontinued operations. The business of MRT represented the entirety of the Group's Man Overboard operating segment until 1 February 2018. With MRT being classified as discontinued operations, the Man Overboard segment is no longer presented in the segment note. The results of MRT for the year are presented below:

	June 2018 \$	June 2017 \$
Sale of goods & services	4,211,401	3,888,082
Rental revenue	1,308,464	1,082,478
	<u>5,519,865</u>	<u>4,970,560</u>
Cost of units sold	(1,392,297)	(1,131,425)
Depreciation of units under rental	(244,306)	(108,625)
	<u>(1,636,603)</u>	<u>(1,240,050)</u>
	3,883,262	3,730,510
Operating Expenses	(3,010,874)	(3,266,843)
Operating income	872,388	463,667
Finance costs	(55,991)	(58,923)
Profit/(loss) before tax from a discontinued operations	816,397	404,744
Tax benefit/(expense):	(84,098)	(11,015)
Related to current pre-tax profit/(loss)	732,299	393,729
Related to remeasurement to fair value less costs to	-	-
Profit/(loss) for the year from discontinued operations	<u><b>732,299</b></u>	<u><b>393,729</b></u>

The major classes of assets and liabilities of MRT classified as held for sale as at 30 June are, as follows:

	June 2018 \$
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	228,778
Trade and other receivables	2,078,028
Inventories	1,625,290
Other current assets	487,843
<b>TOTAL CURRENT ASSETS</b>	<b>4,419,939</b>
<b>NON-CURRENT ASSETS</b>	
Plant and equipment	757,680
Intangible assets and goodwill	302,891
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,060,571</b>
<b>TOTAL ASSETS</b>	<b>5,480,510</b>
<b>CURRENT LIABILITIES</b>	
Trade and other payables	1,457,619
Interest bearing loans and borrowings	327,658
Provisions	43,922
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,829,200</b>
<b>NON-CURRENT LIABILITIES</b>	
Provisions	19,157
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>19,157</b>
<b>TOTAL LIABILITIES</b>	<b>1,848,357</b>
<b>NET ASSETS</b>	<b>3,632,153</b>

The net cash flows incurred by MRT are, as follows:

	June 2018 \$	June 2017 \$
Operating	924,654	1,044,134
Investing	-300,562	-110,332
Financing	326,005	-103,096
<b>Net cash inflow</b>	<b>950,097</b>	<b>830,706</b>

#### Earnings per share

Basic, profit/(loss) for the year from discontinued operations Diluted, profit/(loss) for the year from discontinued operations (cents per share)	0.1	0.1
Basic, profit/(loss) for the year from discontinued operations Diluted, profit/(loss) for the year from discontinued operations (cents per share)	0.1	0.1

Interest-bearing liabilities comprise an export facility loan bank loan of \$328,459 and was repaid in full on 28 July 2018.

## 4 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the 30 June:

	June 2018 \$	June 2017 \$
Cash at banks and on hand	151,685	742,743
Cash at banks attributable to discontinued operations	228,777	-
<b>Cash and cash equivalents</b>	<b>380,462</b>	<b>742,743</b>

## 5 TRADE AND OTHER RECEIVABLES

	June 2018 \$	June 2017 \$
Trade debtors	-	968,717
Less: allowance for impairment loss (a)	-	(4,207)
	-	964,510
Goods and Services Tax		7,088
Value added tax	-	-
R & D Rebate	-	91,233
	-	1,062,831
Trade and other receivables attributable to discontinued operations	2,078,028	91,233
<b>Trade and Other Receivables</b>	<b>2,078,028</b>	<b>1,062,831</b>

The Company increased its inventory levels during the year as part of its strategy to increase its rental business.

## 6 INVENTORIES

	June 2018 \$	June 2017 \$
Inventories, at cost		
Raw materials, stores and work in progress inventory at net realisable value	-	1,302,864
Finished goods	-	320,530
	-	1,623,394
Total inventories attributable to discontinued operations	<b>1,625,290</b>	-
Total inventories at lower of cost and net realisable	<b>1,625,290</b>	<b>1,623,394</b>

The Company maintained its inventory levels during the year as part of its strategy to keep delivery times as low as possible for its purchase and rental businesses.

## 7 PLANT AND EQUIPMENT

	June 2018 \$	June 2017 \$
<b>Plant and Equipment net of depreciation</b>		
Units under Customer Rental	-	622,022
Plant and equipment	-	181,712
Motor vehicles	-	571
	-	804,305
Plant and equipment attributable to discontinued operations	757,680	-
<b>Plant and equipment, net of amortisation</b>	<b>757,680</b>	<b>804,305</b>

The Company increased its units under customer rental as part of the additional rental contracts signed during year.

## 8 INTANGIBLE ASSETS

	June 2018 \$	June 2017 \$
<b>Intangible assets net of amortisation</b>		
Development Cost	-	746,006
Goodwill	1,924,068	1,924,068
Computer software	750	1,319
	1,924,818	2,671,393
Intangible assets attributable to discontinued operations	302,889	-
<b>Intangible assets net of amortisation</b>	<b>2,227,707</b>	<b>2,671,393</b>

## 9 INVESTMENTS IN OTHER BUSINESSES

	June 2018 \$	June 2017 \$
Investment in Jaxsta Enterprise Pty Ltd	1,500,000	1,500,000
<b>Investment on other businesses</b>	<b>1,500,000</b>	<b>1,500,000</b>

In May 2016, the Company made a \$500,000 investment in Jaxsta Holdings Pty Ltd (Jaxsta) for a 3.33% equity position and has invested a further \$1,000,000 investment during the year to bring the total to \$1,500,000 or 10% equity. On 15 May 2018 Mobilarm has entered into a Share Purchase Agreement for 100% of the equity of Jaxsta. Please see footnote 18 for details on the transaction.

## 10 TRADE AND OTHER PAYABLES

	June 2018 \$	June 2017 \$
<b>Trade and other payables</b>		
Trade creditors	116,140	769,836
Customer deposits		131,300
Current tax liabilities	8,546	529,576
Other creditors and accruals	40,573	119,853
	165,259	1,550,565
Trade and other payables attributable to discontinued operations	1,457,619	-
<b>Trade and other payables</b>	<b>1,622,878</b>	<b>1,550,565</b>

## 11 INTEREST BEARING LOANS AND BORROWINGS

CURRENT	June 2018 \$	June 2017 \$
<b>Interest bearing loans and borrowings</b>		
Convertible Notes (i)	1,974,228	1,858,361
Convertible Note (ii)	2,126,653	1,738,994
	<u>4,100,881</u>	<u>3,597,355</u>
Finance leases	4,350	2,364
	<u>4,105,213</u>	<u>3,599,719</u>
Interest bearing loans and borrowings from discontinued operations	327,658	-
<b>Interest bearing loans and borrowings</b>	<u>4,432,889</u>	<u>3,599,719</u>

The Company entered into various interest bearing loans for working capital purposes. The terms of each loan are described below.

- (i) The Company entered into a convertible note, with an interest rate of 6%. 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, currently \$0.007 per share. 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. The Company expanded this note with a second tranche of \$700,000 in March 2017. These convertible notes expires on 7 November 2018.
- (ii) The Company entered into new convertible note for up to a total of \$2,000,000 as of 30 September 2016. These notes carry an interest rate of 12% and a conversion price of the lower of 4 cents or any future capital transaction during the term of the note. The notes expire on 31 October 2018, with an option to extend to 31 March 2018. The convertible notes are secured by the assets of the Company.

## 12 CONTRIBUTED EQUITY

	June 2018 \$	June 2017 \$
Ordinary shares (a)	30,601,809	30,601,809
<b>Contributed equity</b>	<u>30,601,809</u>	<u>30,601,809</u>

(a) Ordinary Shares	June 2018		June 2017	
Movement in ordinary shares on issue	Number	\$	Number	\$
Balance at beginning of year	493,119,559	30,601,809	493,119,559	30,601,809
Issuance of equity	-	-	-	-
Cost of share issues	-	-	-	-
Conversion of performance share rights	5,000,000	-	-	-
Currency revaluation	-	-	-	-
Balance at end of the year	<u>498,119,559</u>	<u>30,601,809</u>	<u>493,119,559</u>	<u>30,601,809</u>

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

	June 2018	June 2017
	\$	\$
Stock options	1,442,163	1,264,471
Performance share rights	439,386	381,350
Share based compensation reserves	<u>1,881,549</u>	<u>1,645,821</u>

**(b) Options**

	June 2018		June 2017	
Movement in options on issue	Number	\$	Number	\$
Balance at beginning of year (i)	29,670,487	1,264,471	29,670,487	959,856
Options cancelled – Employee Stock Option Plan	-	-	-	-
Options issued – Directors Compensation	(29,670,487)	177,692	-	304,615
Subtotal	<u>-</u>	<u>1,442,163</u>	<u>29,670,487</u>	<u>1,264,471</u>

- (i) On the 8th of August 2012 the Board (excluding Mr Ken Gaunt who did not wish to make any recommendation) has proposed the issue of 29,670,487 share options to Director/Chief Executive Officer Ken Gaunt. Each option entitles the holder to exercise the option in exchange for one ordinary share in the Company. The options are exercisable at an exercise price of per option A\$0.021. The Options vest when the Share Price is equal to or greater than A\$0.10 (subject to adjustment under the terms of the grant). In addition, upon a Change of Control Event (i), the Options automatically vest.

- (i) Change of Control Event means:
- a person acquires voting power in at least 50.1% or more of the issued Shares;
  - a person acquires the power to direct or cause the direction of management or policies of the Company;
  - a person directly or indirectly acquires all or substantially all of the business and assets of the Group; or
  - a person otherwise acquires or merges with the Group, including by way of a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, share acquisition, securities issuance, share buyback or repurchase, reverse takeover, dual listed company structure, establishment of a new holding entity for the Group or any other comparable transaction or arrangement.

In association with the grant above, the Company has also proposed that the Company enter into an interest-free loan agreement with Mr. Gaunt of an amount equal to the total Grant Price payable for the 29,670,487 Options, being a total loan amount of \$267,034. These transactions were approved at a general meeting of shareholders on the 7<sup>th</sup> of September 2012. These options lapsed on 31 January 2018.

**(c) Performance Share Rights**

	June 2018		June 2017	
Movement in options on issue	Number	\$	Number	\$
Balance at beginning of year	13,500,000	381,350	16,000,000	289,421
Performance share rights issued	-	58,036	-	91,929
Performance share rights converted	(5,000,000)	-	-	-
Performance share rights cancelled	(3,000,000)	-	(2,500,000)	-
Balance at end of the year	<u>5,500,000</u>	<u>439,386</u>	<u>13,500,000</u>	<u>381,350</u>

The Company granted 11,000,000 performance share rights in 2013 to employees, none of these remain valid as of 30 June 2018. The Company granted a further 7,000,000 performance share rights in February 2015 to employees, 5,500,000 of these remain valid as of 30 June 2018. The performance share rights vest when the Share Price is equal to or greater than A\$0.10 (subject to adjustment under the terms of the grant). In addition, upon a Change of Control Event (i), the performance share rights automatically vest.

- (i) Change of Control Event means:
- a. a person acquires voting power in at least 50.1% or more of the issued Shares;
  - b. a person acquires the power to direct or cause the direction of management or policies of the Company;
  - c. a person directly or indirectly acquires all or substantially all of the business and assets of the Group; or
  - d. (d) a person otherwise acquires or merges with the Group, including by way of a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, share acquisition, securities issuance, share buyback or repurchase, reverse takeover, dual listed company structure, establishment of a new holding entity for the Group or any other comparable transaction or arrangement.

Some of the performance share rights have additional vesting criteria regarding specific performance of projects being completed, such as the development of our next generation products.

### 13 EARNINGS PER SHARE

	June 2018 Number	June 2017 Number
<b>EARNINGS PER SHARE</b>		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	494,831,888	493,119,559
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	494,831,888	493,119,559
Basic earnings/(loss) per share (cents per share)	(0.2)	(0.2)
Diluted earnings/(loss) per share (cents per share)	(0.2)	(0.2)

### 14 SEGMENT INFORMATION

The company operates solely in the development, manufacturing and sale of Man Overboard safety systems. The Company operates in four geographical locations being Australia, the United Kingdom, Nigeria and the United States of America. The Company manages its operations internally as one segment under the management of the CEO. As part of the sale of MRT discussed in Note 3, the Company has classified its Man Overboard operations as an asset available for sale in the Statement of Financial Position and as a discontinued operation in the Statement of Comprehensive Income. The accounting policies applied for internal reports are consistent with the policies used to prepare the financial statements.



## 15 CONTINGENT LIABILITIES

As at reporting date there were no contingent liabilities.

## 16 SUBSEQUENT EVENTS

On 17 August 2018, the Company held a meeting of the shareholders of Mobilarm in which the sale of MRT and acquisition of Jaxsta were approved by shareholders. The terms of the sale were announced to the market on 23 May 2018 and further details were included in the Notice of Meeting issued on 16 July 2018.

Resolution 1 related to the sale of MRT which was approved by shareholders. See Note 3 for details on the results of MRT.

The acquisition of Jaxsta included various resolutions, all of which were approved and are listed below:

- Resolution 2: Change of Nature and Scale of Activities - Acq. Jaxsta Holdings
- Resolution 3: Consolidation of Capital
- Resolution 4: Issue of Shares on conversion of Convertible Note
- Resolution 5: Approval for the Acq. Of a Relevant interest in the Company by Jaxsta
- Resolution 6: Capital Raising
- Resolution 7: Election of Director - Ms Jacqueline Louez Schoorl
- Resolution 8: Election of Director - Ms Laura Inman
- Resolution 9: Election of Director - Ms Linda Jenkinson
- Resolution 10: Election of Director - Mr Brett Cottle
- Resolution 11: Adoption of Employee Incentive Scheme
- Resolution 12: Change of Company Name
- Resolution 13: Replacement of Constitution
- Resolution 14: Non-Executive Directors' remuneration

The acquisition of Jaxsta is conditional on various conditions, the primary of which is the completion of a capital raising of a minimum of \$5,000,000, which was approved to proceed by shareholders in resolution 6 above. The Company is expecting to issue the Prospectus for the offer by no later than the 15 September 2018.

Other than the events listed above, there have been no other events since the end of the financial year that affect the results as at and for the year ended 30 June 2018.

## ANNUAL MEETING

The annual meeting will be held as follows:

Place

To be advised

Date

To be advised

Time

To be advised

Approximate date the +annual report will be available

31 October 2018

## COMPLIANCE STATEMENT

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used


- 2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed
- 4 This report is based on +accounts to which one of the following applies.

(Tick one)

- |                                     |   |                          |   |
|-------------------------------------|---|--------------------------|---|
| <input type="checkbox"/>            | The +accounts have been audited.  | <input type="checkbox"/> | The +accounts have been subject to review.                  |
| <input checked="" type="checkbox"/> | The +accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The +accounts have <i>not</i> yet been audited or reviewed. |

- 5 The entity has formally constituted audit committee.

Sign here:



Date: 31 August 2018

Print name: Jorge Nigaglioni

Executive Director & Chief Financial Officer