



10 September 2018

ASX CODE: MBO

ASX LIMITED

Prospectus Lodgement – IAR inclusion

Mobilarm Limited advises that the attached prospectus now includes the Investigating Accountants Report.

-Ends-

Further details

Ken Gaunt

Email: keng@mrtos.com

Chief Executive Officer

Tel: +61 417 961 770

www.mobilarm.com



Robert Kenneth Gaunt
Director

7 September 2018

**MOBILARM LIMITED
(TO BE RENAMED "JAXSTA LIMITED")
ACN 106 513 580**

PROSPECTUS

For an offer of up to 35,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$7,000,000 with a minimum subscription of \$5,000,000 (**Offer**).

Completion of the Offer is conditional upon satisfaction of the Conditions, which are detailed further in the Important Notices in this Prospectus. No Securities will be issued pursuant to this Prospectus until such time as the Conditions are satisfied.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-admission to the Official List following a change in nature and scale of the Company's activities.

Lead Manager



IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered highly speculative.



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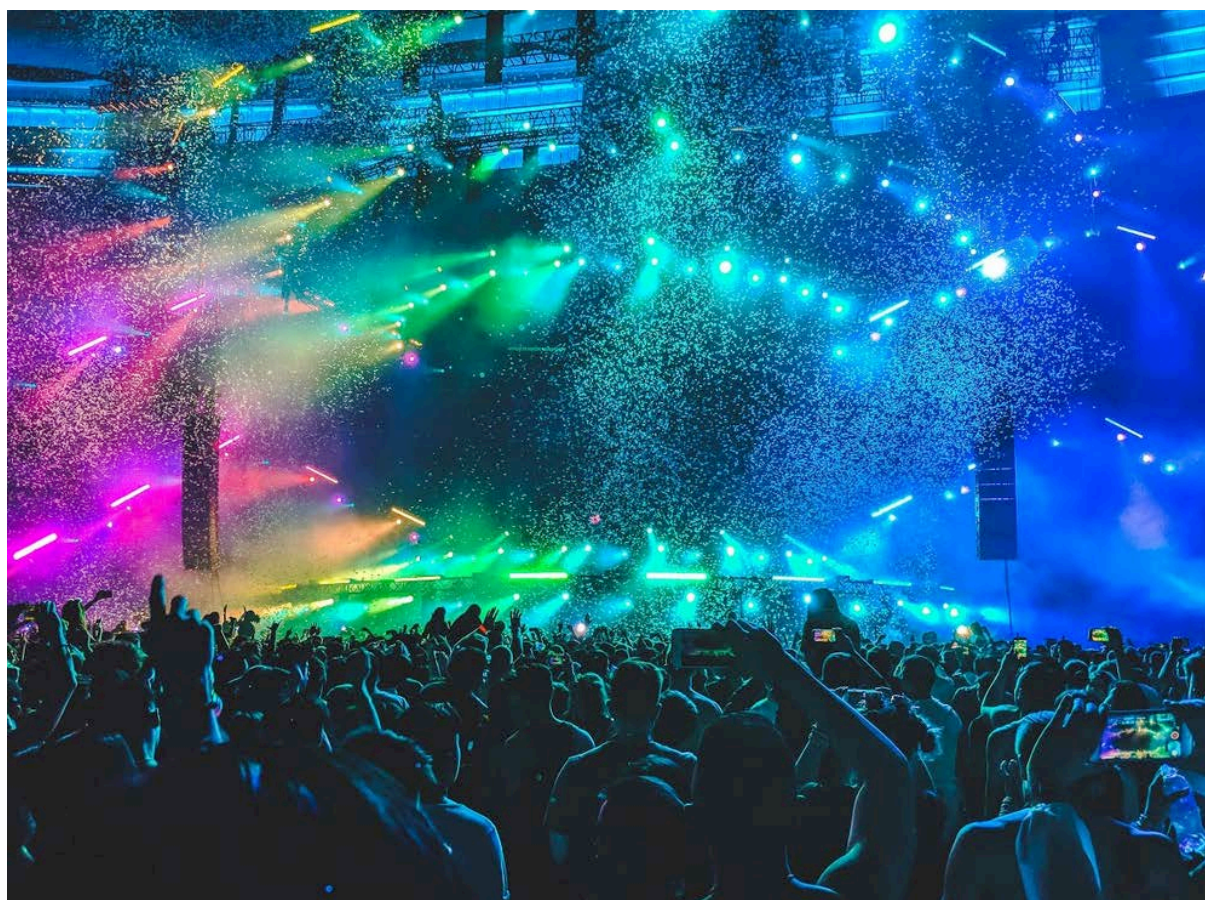
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INDICATIVE TIMETABLE

Lodgement of Prospectus with the ASIC	7 September 2018
Opening Date of the Offer	7 September 2018
Closing Date for Offer	28 September 2018
Issue of Shares under the Offer and Securities to be issued pursuant to the Acquisition Agreement	5 October 2018
Settlement of the Acquisition	5 October 2018
Closing Date of the Cleansing Offer	8 October 2018
Dispatch of Holding Statements	10 October 2018
Re-instatement to quotation of Securities (including Shares issued under the Offer) on ASX	15 October 2018

** The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with any of the Offer at any time before the issue of Shares to Applicants.*

^ The above stated date for Settlement of the Acquisition is only a good faith estimate by the Directors and may have to be extended.



CORPORATE DIRECTORY

Existing Directors

Sir Tim McClement
Independent Chairperson

Robert Kenneth Gaunt
Director & CEO

Jorge Nigaglioni
Director & CFO

Company Secretary

David McArthur

Proposed Directors

Launa Inman
Independent Chairperson

Jacqueline Louez Schoorl
Director & CEO

Linda Jenkinson
Non-Executive Director

Brett Cottle
Non-Executive Director

Proposed Company Secretary

Naomi Dolmatoff

Share Registry*

Security Transfer Registrars Pty Ltd
770 Canning Hwy
APPLECROSS WA 6153

Telephone: 1300 992 916

Current ASX Code

MBO

Proposed ASX Code

JXT

Registered Office

Mobilarm Limited
Level 1, 31 Cliff Street
FREMANTLE WA 6160

Telephone: (08) 9315 3511

Email: accounts-apac@mrtsos.com
Website: www.mobilarm.com

Jaxsta Holdings Pty Ltd
Level 21/ 1 York Street
SYDNEY NSW 2000

Email: corporate@jaxsta.com
Website: www.jaxsta.com

Lead Manager

Bell Potter
Level 29
101 Collins Street
MELBOURNE VIC 3000

Investigating Accountant

Greenwich & Co Audit Pty Ltd
Level 2, 35 Outram Street
WEST PERTH WA 6005

Auditor to the Company

Walker Wayland Audit (WA) Pty Ltd
Level 3/1 Preston St
COMO WA 6152

Auditor to Jaxsta

DKF PA Partners
91 High Street (West End),
FREMANTLE WA 6160

Solicitors to the Company

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

* These entities have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

IMPORTANT NOTICE

This Prospectus is dated 7 September 2018 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States of America.

Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.mobilarm.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs

(including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section D of Section 2 as well as Section 6 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Re-compliance with Chapters 1 and 2

ASX requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-admission to the Official List following a change in nature and scale of the Company's activities.

There is a risk that the Company may not be able to meet the requirements of ASX for re-admission to the Official List. In the event the Conditions are not satisfied or the Company does not receive conditional approval for re-admission to the Official List then the Company will not proceed with the Offer and will re-pay all Application monies received.

Conditional Offers

The Offers under this Prospectus are conditional upon the satisfaction of certain conditions and no Shares will be issued under this Prospectus unless and until those conditions have been satisfied. Those outstanding conditions include:

- (a) completion of the Acquisition; and
- (b) the receipt of conditional approval to the re-instatement of the Company to listing on ASX.

The Acquisition is conditional upon the satisfaction of a number of conditions precedent, which are set out in Section 9.1. In the event that the Acquisition is not completed, then no Shares will be issued under this Prospectus. If this occurs, Applicants will be refunded their application monies (without interest) and in accordance with the Corporations Act.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this prospectus are illustrative only and may not be drawn to scale.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary.

Definitions

Terms used in this Prospectus are defined in the Glossary in Section 12.



1. LETTER FROM THE CEO

Dear Investor

On behalf of the Directors, it gives me great pleasure to invite you to become a Shareholder in Mobilarm Limited, to be renamed 'Jaxsta Limited' (**Company**).

Jaxsta is a Sydney based company that is taking on the task of getting the people who create the soundtracks to our lives credited properly for their contribution to the music we love. The Jaxsta database consists of official music information and is built to meet the needs of music professionals and enthusiasts globally seeking a comprehensive and authenticated source of music data.

Unlike other music platforms, which rely on open-source or artist-populated data, Jaxsta uses proprietary "Big Data" technology to ingest and translate information sourced directly from official channels including record labels, music publishers, royalty agencies and industry associations onto its Jaxsta Platform ensuring optimum accuracy and reliability.

The Jaxsta Platform opens up a host of new applications for music information. These include a suite of tools which don't presently exist today that music industry professionals can use to enhance their own operations, a B2B suite of application programme interfaces (APIs) and much more, all comprehensively integrated through Jaxsta's technical architecture.

This Prospectus is seeking to raise \$7,000,000, with a minimum raise of \$5,000,000.

The Company will be led by a well-qualified board and management team with strong technical, financial and commercial expertise which is ideally suited to manage the Company's activities and to capitalise on Jaxsta's success to date.

I encourage you to read this Prospectus in its entirety before making your investment decision and to seek professional advice if required.

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company.

Yours faithfully

Robert “Ken” Gaunt
Director & CEO



2. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	Mobilarm Limited (ACN 106 513 580) (ASX:MBO)	
Who is Mobilarm?	<p>Mobilarm Limited listed on the ASX on 21 September 2010 as a Technology Hardware & Equipment business focussed on Maritime Safety Locator Devices.</p> <p>For the past 21 months the Company has also been evaluating alternative corporate opportunities. On 23 May 2018 the Company announced that it had entered into a conditional share purchase agreement (Acquisition Agreement) to acquire 100% of Jaxsta Holdings Pty Ltd (Acquisition).</p>	Section 4.1
B. The Acquisition		
What is the Acquisition?	<p>The Acquisition is the acquisition of 100% of the shares in Jaxsta for the purpose of acquiring the business run by Jaxsta.</p> <p>On 17 August 2018, the Company's Shareholders approved all of the necessary resolutions to approve the Acquisition and to undertake the Offer the subject of this Prospectus.</p>	Section 4.1
Who is Jaxsta?	Jaxsta is a music technology company incorporated in Australia that has developed an online platform to hold official music metadata to develop a repository of official music-related information, comprising liner notes and label copy (Jaxsta Platform).	Section 4.2
What stage is the Jaxsta business?	<p>The Jaxsta business has been conceived and developed over the past three years within Jaxsta.</p> <p>Its Jaxsta Platform has progressed through beta testing in 2017 and is proposed for a 'soft launch' in the months following the completion of the Acquisition. This Jaxsta Beta, which is the public music database, will also see the launch of Jaxsta's Jaxsta.com website. Jaxsta has entered into a number of commercial data access agreements and metadata and artwork agreements with relevant data owners to access and ingest their data into its Jaxsta Platform, creating an</p>	Section 4.5

Item	Summary	Further information
	<p>official source for much of this data.</p> <p>Following completion of the Acquisition, the Jaxsta Platform will continue to be developed and scaled utilising the funds raised from the Offer and in the manner as described in this Prospectus.</p>	
What are the key terms of the Acquisition?	<p>The key terms of the Acquisition, including the consideration payable for the Acquisition are set out in Section 9.1 of this Prospectus.</p> <p>The Acquisition is conditional upon the satisfaction of certain conditions precedent which are set out in detail in Section 9.1.</p>	Section 9.1
What is the effect of the Acquisition on the Company?	<p>As set out in the Company's Notice of Meeting, the effect of the Acquisition will see the Company cease operating its current business and see it change its focus to running the business of Jaxsta. This Prospectus outlines the Jaxsta business, including the Jaxsta Platform. Following completion of the Acquisition and the Offer, the Company will be focussing its operations as set out in this Prospectus.</p>	
B. Business Model		
What are the key business objectives of the Company?	<p>Following completion of the Acquisition, the Company will focus on the further development and commercialisation of the Jaxsta Platform with the aim to generate revenues and returns for the Company.</p>	Section 4.7
How will Jaxsta generate income?	<p>Following completion of the Acquisition, the Company will look to develop the Jaxsta Platform.</p> <p>The Jaxsta's Platform is scheduled to launch as Jaxsta Beta in the first half of 2019, subject to the finalisation of outstanding contracts and the ingestion of further data into the Jaxsta Platform. The launch of the Beta will not occur until Jaxsta is satisfied that it will provide qualitative data coverage for its users.</p> <p>The launch of the Jaxsta Beta is not expected to generate revenue for the Company initially, however the Company expects to generate its revenue under its business model as follows:</p> <ul style="list-style-type: none"> (a) Jaxsta.com – a public website database of official music credits; (b) Jaxsta Pro – a subscription-based membership; (c) Jaxsta Commercial – an API and data-feed sale for digital service providers; 	Section 4.9

Item	Summary	Further information
	<p>In addition to the above, Jaxsta considers that there could be future revenue opportunities from its Jaxsta Platform relating to:</p> <ul style="list-style-type: none"> (a) Advertising – campaign specific advertising on jaxsta.com; (b) Jaxsta Reports – industry specific reports created for various sectors of the industry; and (c) 3rd party affiliate sales – sales driven by click throughs from jaxsta.com to outside services. 	
What are the key business strategies of Jaxsta?	<p>In order to be successful in the implementation of its business, following the completion of the Acquisition, the Company's business strategies will be focussed on:</p> <ul style="list-style-type: none"> • completion of the rollout of its Jaxsta Platform to ensure the successful launch and ongoing development opportunities for the Jaxsta Platform; • the promotion of its services, including its Jaxsta Pro subscription and API to generate early revenues; and • the continuation of investigations into ways and opportunities to further commercialise and develop its business and grow the Jaxsta Platform. 	Sections 4.4 and 4.12
What are the key dependencies of the Company's business model?	<p>The key factors that the Company will depend on to meet its objectives are:</p> <ul style="list-style-type: none"> (a) the launch of its platform and the continued development of its additional capabilities; and (b) access to data from its commercial data providers; and (c) the timely ingestion of data into the Jaxsta Platform to continue to make it a current repository of up-to-date information. 	Section 4.11
C. Key Investment Highlights		
What are the key investment highlights?	<p>The Directors and Proposed Directors are of the view that an investment in the Company provides the following non-exhaustive list of key highlights:</p> <ul style="list-style-type: none"> (a) the Acquisition represents an attractive investment opportunity for the Company to change its business focus to that of an official music database business; (b) the Company will obtain 100% 	

Item	Summary	Further information
	<p>ownership of Jaxsta;</p> <p>(c) the appointment to the Board of Ms Louez Schoorl and Mr Cottle, who provide extensive commercial experience within the music industry and Ms Inman and Ms Jenkinson, who provides the Company with extensive commercial experience in managing ASX listed entities;</p> <p>(d) the Company is seeking to complete a capital raising to raise the maximum of \$7,000,000, in excess of the \$5,000,000 required by the Agreement. This will provide the Company with sufficient funds to implement the proposed commercialisation, marketing and international expansion strategy;</p> <p>(e) the potential increase in market capitalisation of the Company following completion of the Acquisition and the associated Capital Raising may lead to access to improved equity capital market opportunities and increased liquidity which are not currently present; and</p> <p>(f) the consideration for the Acquisition is Shares thereby allowing more funds raised from the Capital Raising to be used directly on ongoing development work on the Jaxsta Platform.</p>	
D. Key Risks		
What are the key risks of an investment in Jaxsta?	<p>The business, assets and operations of the Company, including after the Acquisition, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Securities of the Company.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.</p> <p>Based on the information available, a non-exhaustive list of the key risk factors affecting the Company are as follows:</p> <p>(a) Re-quotations of Shares on ASX – The Acquisition constitutes a significant change in the nature and scale of the</p>	Section 6

Item	Summary	Further information
	<p>Company and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules. Should it be unable to do so, it will remain suspended from trading on ASX.</p> <p>(b) Software and development risks – the Jaxsta Platform relies on the quality of its software to operate in a manner that meets the needs of its users. Any change to the software or lack of development of the software could have a negative impact on the Company's ability to operate its business.</p> <p>(c) Contract risk – Jaxsta has entered into a number of contracts that are critical to the operation of the business. Any loss of those contracts may impact on the Company's business or the quality of the Company's business.</p> <p>(d) Length of time to negotiate contracts – the nature of the music industry is such that negotiating contracts can take a lengthy period of time. Some of these contracts may be critical to the business of the Company and any delay could negatively impact on the Company's ability to operate its business.</p> <p>(e) Attracting and retaining users – the Company's business will depend on initially attracting and then retaining users. As set out in this Prospectus, Jaxsta has a business plan relating to its launch and roll out that it believes will assist in achieving this requirement.</p> <p>(f) Innovation – the Jaxsta business is focussed on repaid innovation and prioritises long-term user engagement. The Company's success will depend on its ability to rapidly develop and launch new and innovative products to maintain this engagement.</p> <p>(g) Sale receipts of MRT Business – the Company is expected to receive deferred consideration of \$5 million from the sale of its MRT Business. Where, for any reason, the purchaser fails to comply with its contractual obligations, the Company may face a funding shortfall and would need to consider ways to fill in that funding shortfall.</p> <p>A more comprehensive list of potential risks and risk factors relating to the Company and</p>	

Item	Summary	Further information
	the new business are set out in Section 6 and all Applicants are recommended to review and understand those risks prior to making an application under this Prospectus.	
E. Directors and Key Management Personnel		
Who are the Directors and Proposed Directors?	<p>It is proposed that upon completion of the Offer and the Acquisition the Board will comprise:</p> <ul style="list-style-type: none"> • Launa Inman (<i>Non-Executive Chair</i>) • Jacqueline Louez Schoorl (<i>CEO and Executive Director</i>) • Linda Jenkinson (<i>Non-Executive Director</i>) • Brett Cottle AM (<i>Non-Executive Director</i>) • Jorge Nigaglioni (<i>Non-Executive Director</i>) <p>The existing Directors, Sir Tim McClement and Robert Gaunt will resign. Mr Nigaglioni will remain a Non-Executive Director for an interim period of approximately 3 months to assist in any transition, and is then expected to resign.</p> <p>The profiles of each of the Proposed Directors are set out in Section 5.1. Details of the personal interests of each of the above individuals are set out in Section 4.16.</p>	Section 5.1
Who are the key management personnel?	<p>In addition to the Directors outlined above, the Company will also have the following key personnel:</p> <ul style="list-style-type: none"> • Renee Bryant <i>Chief Financial Officer</i> • Phil Morgan <i>Chief Information Officer</i> • Dick Huey <i>Head of Partnerships</i> <p>Profiles of each of these key management personnel are set out in Section 5.2.</p>	Section 5.2
F. Financial Information		
How has Jaxsta Holdings Pty Ltd been performing?	The audited financial statements of the Company and Jaxsta, as well as the pro forma financial accounts for the combined entity as at 31 December 2017 are set out in Section 7 as part of the Investigating Accountant's Report.	Section 7
What is the	The Directors have considered the matters set	Section 7

Item	Summary	Further information
financial outlook for Jaxsta Holdings Pty Ltd ?	<p>out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of Jaxsta are inherently uncertain.</p> <p>Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>	
Does Jaxsta Holdings Pty Ltd have sufficient funds for its activities?	The funding for Jaxsta's short to medium term activities will be generated from a combination of the money raised under the Offer and existing cash reserves from the sale of the Company's MRT business.	Section 3.4
G. Offers		
What is being offered?	<p>The Offer is an offer of up to 35,000,000 Shares at issue price of \$0.20 per Share to raise up to \$7,000,000 with a minimum subscription of \$5,000,000 (25,000,000 Shares).</p> <p>The purpose of the Offer is to:</p> <ul style="list-style-type: none"> (a) implement the business model and objectives of the Company as stated in Section C above; (b) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules; and (c) satisfy a condition precedent to the Acquisition Agreement. <p>The Board believes that on completion of the Offer, the Company will have sufficient working capital to achieve its objectives.</p>	Section 3.1
Is the Offer underwritten?	The Offer is not underwritten.	Section 3.4
Who is the lead manager?	The Company has appointed Bell Potter Securities Limited (AFSL 243480) (Bell Potter) as the lead manager of the Offer. The Company will pay fees to Bell Potter for acting as the lead manager. A summary of the terms of their engagement and the fees payable to Bell Potter are set out in Section 9.3 below.	Section 9.3
What is being offered and who is entitled to participate in the Offer?	Only residents of Australia and New Zealand may participate in the Offer.	Sections 3.1 and 3.12
What is the Cleansing Offer?	The Cleansing Offer is a separate offer of Shares that will remain open after the date of the Offer to ensure that any trading restrictions imposed under the Corporations Act imposed	Section 3.1

Item	Summary	Further information
	on any Shares issued under the Acquisition are removed prior to the Company being re-instated to trading on ASX.	
What will Jaxtsa's capital structure look like after completion of the Offer and the Acquisition?	Refer to Section 4.16 for a pro forma capital structure following Settlement of the Acquisition.	Section 4.16
Will I be guaranteed a minimum allocation under the Offer?	No, the Company is not in a position to guarantee a minimum allocation of Shares under the Offer. The Company's allocation policy is set out in Section 3.9 of this Prospectus.	Section 3.9
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 10.2.	Section 10.2
Will any Securities be subject to escrow?	<p>Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, certain Shares on issue (including certain Securities issued under the Additional Offers) may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.</p> <p>The Company confirms its 'free float' (the percentage of the Shares that are not restricted and are held by shareholders who are not related parties (or their associates) of the Company) at the time of reinstatement will be not less than 20% in compliance with ASX Listing Rule 1.1 Condition 7.</p> <p>During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p>	Section 4.18
Will the Shares be quoted?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.	Section 3.10
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable at the start of this Prospectus.	Indicative Timetable
What is the minimum	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (10,000	Section

Item	Summary	Further information
investment size under the Offer?	Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).	
Are there any conditions to the Offer?	<p>The Offer is conditional on:</p> <ul style="list-style-type: none"> the Acquisition Agreement becoming unconditional; and ASX conditional approval to re-admit the Securities to Official Quotation. <p>If any of these Conditions are not satisfied, the Acquisition and the Offer will not proceed.</p>	Section 3.7
H. Use of proceeds		
How will the proceeds of the Offer be used?	<p>The Offer proceeds will be used for:</p> <ul style="list-style-type: none"> expenses of the Offer; sales and marketing of the Jaxsta Platform; System and Jaxsta Platform development; and working capital and corporate administration expenses of the Company. <p>A detailed table setting out the proposed use of funds raised under the Offer is set out in Section 3.6.</p>	Section 3.6
I. Additional information		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer.	Section 3.14
What are the tax implications of investing in Shares?	<p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 3.15
Where can I find more information?	<ul style="list-style-type: none"> By speaking to your sharebroker, solicitor, accountant or other independent professional adviser. By reviewing Mobilarm's public announcements, which are accessible from ASX's website at www.asx.com.au under the ASX code "MBO". By visiting Mobilarm's website at 	

Item	Summary	Further information
	<p>www.mobilarm.com</p> <ul style="list-style-type: none"> • By visiting Jaxsta's website at www.jaxsta.com • By contacting David McArthur, Mobilarm's Company Secretary, on (08) 9423 3200. • By contacting the Share Registry on 1300 992 916. 	



3. DETAILS OF THE OFFERS

3.1 The Offers

3.1.1 The Offer

Under the Offer, the Company invites applications for up to 35,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$7,000,000. The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

3.1.2 The Cleansing Offer

Under the Cleansing Offer, the Company offers 1,000 Shares at an issue price of \$0.20 per Share to raise \$200.

The Cleansing Offer is included primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company where those issues occur after the Offer has closed. The Cleansing Offer will remain open after the close of the Offer.

3.2 Oversubscriptions

The Company will not accept oversubscriptions.

3.3 Minimum subscription

The minimum amount which must be raised under this Prospectus is \$5,000,000 (**Minimum Subscription**).

If the Minimum Subscription has not been raised within 4 months after the date of the Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

3.4 Not underwritten

The Offer is not underwritten.

3.5 Lead Manager

The Company has appointed Bell Potter as lead manager to the Offer. Details of the fees will be paid for these services and the use of those fees are set out in Section 9.3 of this Prospectus.

Some or all of the fees payable to Bell Potter under the mandate may be required to be passed on to other brokers or advisers who assist with the Offer.

Further details of the mandate entered into with Bell Potter are set out in Section 9.3. The fees payable to Bell Potter were negotiated on an arm's length basis.

3.6 Use of Funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the next two years following admission of the Company to the Official List of ASX as follows:

	Funds to be raised under the minimum subscription to the Offer (\$5,000,000)	Percentage of Funds	Funds to be raised under the full subscription of the Offer (\$7,000,000)	Percentage of Funds
Existing cash reserves ^{1,2}	\$1,000,000	17%	\$1,000,000	17%
Funds raised from the Public Offer	\$5,000,000	83%	\$7,000,000	87%
TOTAL	\$6,000,000	100%	\$8,000,000	100%
Expenses of the Offer ³	\$550,000	9%	\$670,000	8%
Sales and marketing ⁴	\$1,090,534	18%	\$1,466,719	18%
System and platform development ⁵	\$3,030,307	51%	\$4,075,624	51%
Working capital and corporate administration ⁶	\$1,329,159	22%	\$1,787,657	22%
TOTAL	\$6,000,000	100%	\$8,000,000	100%

Notes:

1. Refer to the Investigating Accountant's Report set out in Section 7 of this Prospectus for further details.
2. In addition to these existing funds, the Company has entered into a transaction to dispose of its MRT Business, the terms of which are summarised in Section 9.4 below. Under this agreement the purchaser will pay to the Company \$1,000,000 (plus taxes) on completion of the disposal, with \$1,000,000 (plus taxes) to be paid on the 1st anniversary of settlement of that transaction. A further \$4,000,000 (plus taxes) is payable on the 2nd anniversary of the settlement. These deferred amounts are not included for the purpose of the use of funds outlined above.
3. Refer to Section 10.9 of this Prospectus for further details in relation to the expense of the Offer.
4. These amounts will be used for the promotion of the Company's new business to generate sales and usage of the Jaxsta Platform, in particular the subscription and direct revenue generating elements of the business, Jaxsta Pro and Jaxsta Commercial API.
5. These funds will be utilised for the ongoing development and improvement of the Jaxsta Platform as part of the ongoing review of the usage and growth of the Jaxsta Platform after its Beta launch and following its official launch, in order to drive improvements in the Company's commercial offering.
6. This includes corporate overheads, ASX fees, audit fees, rent and general administration costs.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 6).

If Jaxsta raises less than the full subscription amount of \$7,000,000 but more than the \$5,000,000 minimum subscription under the Offer, it is intended that funds will be allocated firstly to any additional expenses of the Offer, and then scaled back pro-rata among the remaining items of expenditure.

The Board believes that the funds raised from the Offer, combined with existing funds and the funds to be received from the sale of the MRT business will provide Jaxsta with sufficient working capital at anticipated expenditure levels to achieve its objectives set out in this Prospectus.

It should be noted that the Company may not be self-funding through its own operational cash flow at the end of the two year period referred to above. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt, equity or other funding.

3.7 Applications

If you wish to apply for Shares under the Offer, you must complete a paper-based application using the relevant Application Form attached to or accompanying this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

Applications for Shares under the Cleansing Offer should only be made if you are instructed to do so by the Company.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

The Company reserves the right to close the Offers early.

If you require assistance in completing an Application Form, please contact the Share Registry.

3.8 How to apply

3.8.1 Paper application

Complete the hard copy of the Application Form accompanying the hard copy of this Prospectus and mail or hand deliver the completed Application Form with cheque or bank draft to the addresses below so it is received before 5.00pm (WST) on the Closing Date.

By Post To:	Delivered To:
Security Transfer Registrars PO Box 535 Applecross WA 6953	Security Transfer Registrars 770 Canning Highway Applecross WA 6153

By completing an Application Form each Applicant under the Offer will be taken to have declared that all details and statements made by you are complete and accurate and that you have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

3.8.2 Online applications

For Applicants who do not wish to use the paper Application Form attached to this Prospectus, Applicants also have the choice of completing an online application via the Share Registry.

Please visit our share registry's website: www.securitytransfer.com.au and complete the online application form and a unique reference number will be quoted upon completion of the Application.

3.9 Allocation Policy

The Company retains an absolute discretion to allocate Securities under the Offer and reserves the right, in its absolute discretion, to allot to an Applicant a lesser number of Securities than the number for which the Applicant applies or to reject an Application Form. If the number of Securities allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No Applicant under the Offer has any assurance of being allocated all or any Securities applied for. The allocation of Securities by Directors will be influenced by the following factors:

- (a) the number of Securities applied for;
- (b) the overall level of demand for the Offer;
- (c) the desire for spread of investors, including institutional investors; and
- (d) the desire for an informed and active market for trading Securities following completion of the Offer.

The Company will not be liable to any person not allocated Securities or not allocated the full amount applied for.

3.10 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to the Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest. In those circumstances the Company will not proceed with the Acquisition.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.11 Issue

Subject to the Minimum Subscription to the Offer being reached, the completion of the Acquisition and ASX granting conditional approval for the Company to be admitted to the Official List, issue of Securities offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

3.12 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

3.13 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.14 Commissions payable

The Company has appointed Bell Potter Securities Limited (AFSL 243480) (**Bell Potter**) as the lead manager of the Offer. The Company will pay fees to Bell

Potter for the provision of this service in accordance with the terms of the Lead Manager Mandate (refer to Section 9.3 for further details). No other commission is payable to any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee other than as directed by Bell Potter.

Bell Potter will be responsible for paying all commissions that they agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company under the Lead Manager Mandate.

3.15 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offers.

3.16 Withdrawal of Offer

The Offer may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.



4. COMPANY OVERVIEW

4.1 Background on the Company

Mobilarm Limited was incorporated in September 2003 and commenced trading on the ASX in September 2010 as a technology hardware and equipment business focused on maritime safety locator devices (**MRT Business**).

As announced on 23 May 2018, Mobilarm has entered into a conditional agreement to acquire 100% of the issued capital of Jaxsta Holdings Pty Ltd.

Upon Settlement of the Acquisition, the Company's focus will shift from its MRT Business to development of the Jaxsta Business.

In addition, and as set out in the Notice of Meeting, the Company has entered into an agreement to dispose of the MRT Business. Shareholders have approved of this disposal at the General Meeting.

4.2 Background on Jaxsta

Jaxsta Holdings Pty Ltd (**Jaxsta**) was incorporated in May 2016 and is an Australian company that carries on a music database business. Jaxsta Enterprise Pty Ltd, a wholly owned subsidiary was incorporated on 17 April 2015.

Jaxsta's management team is led by its current directors and founding shareholders, Jacqueline Louez Schoorl and Louis Schoorl. Jaxsta's main business activities are conducted in Sydney, Australia and Los Angeles and New York in the USA.

Jaxsta is a business focused on creating and commercialising a database of official music information built to meet the needs of music enthusiasts and professionals globally for a comprehensive and authenticated source of music data relating to liner notes and label copy.

The advent of digital music has meant the loss of the album 'jacket' and along with it the opportunity to discover and recognise the people behind the music. Jaxsta's mission is to be the go-to platform for the 'who, what, when and where' of music or, in other words, the trusted credit roll for the lost 'Jacket Stars' ('**Jaxstas**') of the global music industry.

Jaxsta's objective is to be the destination where music enthusiasts and industry professionals look to discover the story behind the music. The importance of 'credit where credit is due' cannot be undervalued in the music business. Jaxsta's Platform makes that information accessible again and enhances it using proprietary 'Big Data' technology.

More than just becoming an encyclopedia of recording information, the Jaxsta business is founded upon the principle that there is commercial value to be derived from this information.

Unlike other music information platforms, which rely on open-source or artist-populated data, Jaxsta sources information directly from official channels including record labels, music publishers, royalty agencies and industry associations ensuring optimum accuracy and reliability. Information in relation to Jaxsta's contractual arrangements is set out in this Prospectus (refer to Section 9.2 below).

Information is delivered from Jaxsta's cloud-based platform via online applications for desktop, smartphones and tablets. Jaxsta also has plans to develop and release mobile applications (apps) for iOS and Android.

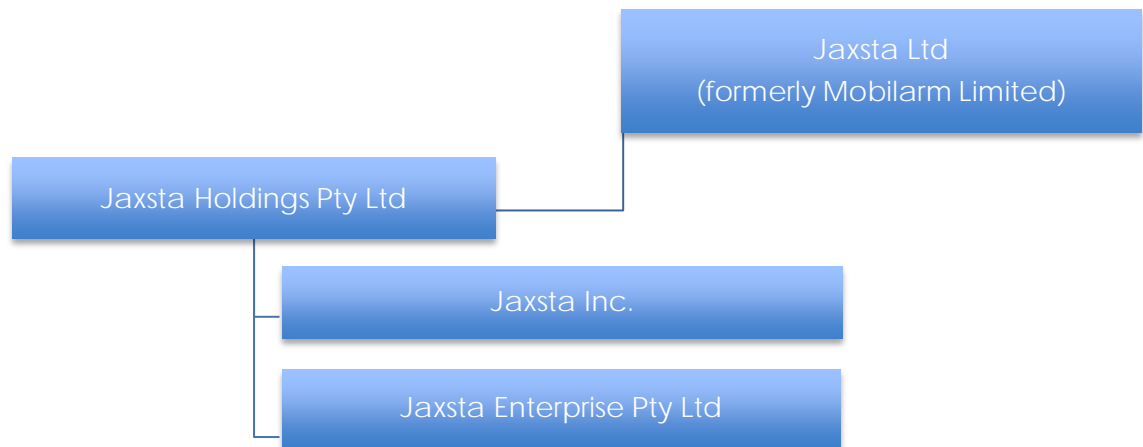
The Jaxsta Platform also opens up a host of new applications for music information targeting music industry professionals including chart movements, market data, event calendars and industry networking tools (as a part of the Jaxsta Pro product).

The application program interface (**API**), Jaxsta Pro integration and much more are all comprehensively integrated through Jaxsta's sophisticated technical architecture and data provision.

Further information on Jaxsta's business model is set out below.

4.3 Jaxsta's Corporate Structure

Following completion of the Acquisition, the Company will be renamed Jaxsta Ltd and will own 100% of Jaxsta Holdings and its subsidiaries as shown below:



4.4 Music industry trends and opportunities for Jaxsta

Current and emerging music industry trends are aligned with and continue to drive the need for the Jaxsta Platform as a means of identifying and crediting music professionals as well as providing an accurate repository of music information and data.

The Jaxsta Platform seeks to give credit to music professionals and to aid discovery of new music by fans in new and existing markets. It is also designed to be flexible enough to evolve to respond to meet and drive growth in digital music and the ever-changing needs of the music industry and music enthusiasts as they seek out new music, new artists and new technologies and to seek out new opportunities in line with emerging trends namely:

- Growth in digital revenue
- Seeking full and fair revenue for music
- Technology leadership
- Building global opportunities for local artists
- Building new markets and partnerships

Jaxsta's current offering, its alignment with, and ability to operate in and build on these trends are outlined below:

(a) Growth in digital revenue

The Jaxsta Platform enables discovery of music artists and collaborators and supports discovery in the growing digital music sector.

Global recorded music enjoyed its third consecutive year of growth in 2017 expanding by a record 8.1%, with revenues increasing in 8 of the top 10 global markets. The digital music industry is undergoing a positive upward trend.

Global music industry revenue in 2017 was US\$17.3 billion (source: *IFPI Global Music Report 2018*), made up by;

- 38% streaming revenue (streaming services such as Spotify and Apple Music)

- 16% digital revenue (the purchase of digital downloads, being iTunes and anywhere else you can buy music in digital downloadable formats, this revenue stream excludes streaming)
- 14% performance royalties (income from live performances, concerts etc)
- 2% music synchronisation (music in movies, TV shows etc)
- 30% physical sales (revenue from the sale of physical product such as vinyl records and CDs).

A global growth in music streaming revenue by 41% over the year has driven global music industry digital revenue to now account for over half (54%) of total recorded music revenues, with paid subscription audio streams up 45.5%. In 32 markets, digital revenues now account for more than half the recorded music market.

(b) Seeking full and fair value for music

Jaxsta's goal is to give credit where credit is due to ensure music artists and collaborators will continue to be recognised in a changing music ecosystem. The value of work a creative (e.g. songwriter, record producer, musician) may lose out on because they weren't credited on a release cannot be fully measured. To this end, there is a market need for a reliable source of music related data and information to make it easier for interested parties to resolve matters of payment and credit in the music industry.

(c) Technology leadership in streaming and the rise of voice

Jaxsta works with industry partners in the music sector to harness and develop proprietary technologies to ensure that it is positioned as a leader in meta-data and new technologies for the music industry. Unlike other music information providers that rely on open-source or artist-led information, Jaxsta partners directly with official music information sources including music labels and music publishers to ensure optimum accuracy and reliability and the best consumer-information experience, making it the authoritative source for official music information. Refer to Section 9.2 for details of Jaxsta's commercial data access agreements in place.

Another example of technology driving change is the rapid emergence of smart speakers. Smart speakers are wireless speakers with voice controls and artificial intelligence built into them, usually in the form of voice-controlled personal assistants, the most popular ones being Amazon's Alexa and Google's Google Assistant. The task of improving data to enable these devices to operate effectively has been a significant undertaking, one that has been crucial in enabling voice recognition to be reliable and simple enough to become a mass-market proposition.

(d) Global opportunities, local heroes

Jaxsta's egalitarian ethos and digital technology transcends borders, enabling it to pursue global opportunities and to champion and

monetise the local heroes who are the potential new international music stars of the future.

(e) Building markets and partnerships

Jaxsta's digital technology complements the trend for streaming in new, and previously inaccessible markets that historically have been overwhelmed by piracy. Jaxsta has entered into a number of commercial data access agreements (**CDAAs**) with some of the leading record labels and music publishers in the music industry to ingest their data into the Jaxsta Platform. Refer to Section 9.2 for a summary of the terms of those CDAAs.

4.5 Opportunity

Through its CDAAs (refer to Section 9.2), Jaxsta has developed a database of official music information built to meet the need for a single authoritative source of music data and to give music people the credit they deserve.

The advent of digital music has seen an end to the printed 'jacket' that once came with the physical 'CD' or 'LP' – where music enthusiasts and professionals would look to discover the story behind their music. In addition these 'jackets' were a central source of data and information relating to both the music and the people and organisations involved in the creation and development of that music. With the gradual disappearance of CD and LP covers as a reference source of this information, this information has been taken away from the consumer.

To achieve this, Jaxsta has developed an end-to-end solution that combines a revolutionary data model and metadata supply chain with support for industry standard formats and conventions. This is the Jaxsta Platform.

Entirely developed in-house by the Jaxsta team and evolved over the last 3 years, the Jaxsta Platform developed presents a unique method for handling data previously unseen in the music industry. Utilising new technologies, Jaxsta is a truly agile solution that lives and breathes music metadata. Built from the ground up to ensure the optimum customer experience while preserving the intent (and content) of the precious official metadata of the music industry, it is designed to be innovative, adaptable and suitable for all purposes, from customer facing sites to commercial web services.

Where is Jaxsta now?

Since its inception in 2013 Jaxsta has established itself as being capable of becoming the most authoritative source for music data content. As at the date of this Prospectus, significant music catalogues have been loaded into the Jaxsta Platform and deals with industry partners are in transition to enable Jaxsta to complete its coverage of official music information.

As an example of Jaxsta's capabilities in this area, in 2017 Jaxsta became the official data partner for the GRAMMYS whereby Jaxsta has been granted access to the music data by the organisation that runs the GRAMMYS, making it one of the only official sources of GRAMMY related information in the market. Jaxsta also recently signed Sony Music Entertainment and The Orchard as key data partners (refer to Section 9.2.3 below).

As set out elsewhere in this Prospectus, the Company has executed beta testing of its Jaxsta Platform in 2017 and is anticipating a further soft launch of its initial

Jaxsta Platform in the first half of 2019. Following this initial launch, the Company will be focussing on bringing other products to the Jaxsta Platform as outlined in this Prospectus, while continuing its investigation and consideration of new and other methods for deriving value for its Shareholders and the business.

Future Potential

The Jaxsta Platform has potential to open up a host of new music information applications other than the initial free and subscription based products that the Company will be focussing on following the completion of the Offer. These include chart movements, market data, event calendars, industry networking tools, artist and management, application program interface (API) integration and much more, all comprehensively integrated through Jaxsta's sophisticated technical architecture and data provision.

Customer Needs

Jaxsta Pro aims to provide a one-stop shop for music industry professionals. The future dashboard intends to save industry professionals time as key information they need is now available in one location and at their fingertips 24/7.

User case example: A songwriter could include their managers details, publisher and their Jaxsta Pro information all of which could assist them in generating more work as other industry professionals would know how to contact them from their Jaxsta Pro profile.

This is a significant industry specific unmet need to which Jaxsta Pro delivers a solution.

4.6 Our technology: how Jaxsta works

Jaxsta is a cloud-based metadata and business intelligence platform that employs proprietary 'Big Data' (metadata processing and entity recognition technology) to extract music information from multiple authoritative music industry sources and process it in a pioneering manner.

Jaxsta's purpose-built data ingestion tools and metadata supply chain manage the diversity of information formats from its differing information sources: Jaxsta can aggregate data from major and independent music labels, publishers, royalty societies and music industry associations in a comprehensive manner.

Jaxsta is driven by a unique, bespoke data model that has been purpose built to handle the metadata issues of the music industry by a team with a strong musicological background as well as experience delivering data solutions at scale. This revolutionary technology can not only process and present complicated metadata, but also preserves provenance, meaning that every source is apparent at all times, even where the output has been deduplicated. This means updates to a record can come from multiple sources at multiple times, yet the Jaxsta metadata supply chain effortlessly processes these data sources into a clear and seamless user experience. The uniqueness of this solution is in Jaxsta's desire to not build a data model that only operates on their own terms or those of their data partners, but one that can house and process all elements of a complicated metadata ecosystem, yet provide the premium front end experience Jaxsta aims to make a hallmark of its business.

To ensure optimum data accuracy and integrity, information is stored and backed up on servers worldwide and regularly monitored. Secure storage is in place to prevent data loss.

Official music information is being made available to Jaxsta's end-users via an ever-evolving suite of online applications for desktops, smartphones and tablets. Plans to develop mobile applications for iOS and Android are also in development.

4.7 Description of the Jaxsta Business Model

Jaxsta is party to a range of commercial data access agreements with data partners, including the material CDAs summarised in Section 9.2. These include The Recording Academy (GRAMMYS™) and Sony Music Entertainment. Jaxsta has completed the ingestion of all historical awards data covering 60 years, held by The Recording Academy.

In addition to these existing CDAs, Jaxsta continues to seek additional data sources, noting that it offers data owners, such as record companies, music publishers and distributors, an opportunity to be part of a unique data repository that is greater than the data any of those individual organisations hold on their own. Jaxsta remains confident that it will be able to add additional data sources to its already existing catalogue of CDAs and MAs.

In January 2018 Jaxsta commenced a data transfer and security testing process with two of the major labels. This process was completed in February 2018.

Jaxsta's Platform is scheduled to launch as Jaxsta Beta in the first half of 2019. This timing is contingent upon the finalised contracts with key industry labels and is dependent on the length of time it takes to finalise the contracts currently under negotiation and to ingest data and catalogues.

Jaxsta's services (and the timing for release of those services) are initially expected to include:

- (a) Jaxsta.com (public website database of official music credits) – estimated to be available from launch of Jaxsta Beta;
- (b) Jaxsta Pro (subscription based membership) – estimated to be available within 6 months from launch of Jaxsta Beta;
- (c) Jaxsta Commercial API (metadata API and data-feed sale for digital service providers) – estimated for commercial launch within 12 months from launch of Jaxsta Pro;
- (d) Jaxsta advertising (campaign specific advertising on jaxsta.com) – scheduled to launch within 4 - 6 months of the launch of Jaxsta Beta;
- (e) Jaxsta Reports (industry specific reports created for various sectors of the industry) – intended to launch in 2019/2020; and
- (f) 3rd party affiliate sales (sales driven by click throughs from jaxsta.com to outside services) – scheduled for an initial offering at Beta launch and planned for significant expansion 18 - 24 months from the official launch (post Jaxsta Beta).

These timeframes are indicative only and subject to change. They are based on the information available to Jaxsta as at the date of this Prospectus, and are subject to third parties and other factors outside of the control of Jaxsta which may impact and/or delay the achievement of these milestones.

Funds raised as part of the Offer, along with funds from the sale of MRT will be used to develop Jaxsta Services (a) to (c).

Once Jaxsta implements an integration with a data partner, updates are automatic and follow a repeatable process. Jaxsta's policy is to create re-usable integrations to ensure the work is done upfront by Jaxsta in integrating with data partner's systems, both to reduce the burden of development and remove the need for complex cross-company integrations. Jaxsta leverages existing systems and supply chain processes to ensure it is a destination for existing information.

In terms of its intellectual property; due to the uniqueness of the Jaxsta Platform and the intellectual property that underlies it, a significant portion of the development is original work. Jaxsta has used no existing proprietary platform solutions to drive its product. Jaxsta has been exploring options for patenting aspects of their solutions and they believe there is significant innovation in their approach.

4.8 Intellectual property

Just prior to the date of this Prospectus, Jaxsta has lodged its first patent application for a patent in relation to "data duplication and data merging". The Company has chosen not to provide an independent report on the patent application, as it remains an application only (lodged on 31 August 2018), has not been processed and there has been no indication from the relevant authorities as to whether the patent application will be accepted or processed.

Jaxsta (or its subsidiaries) presently hold trademarks in Australia in the form of word and logo marks, in the USA a trademark for its name and an application pending in respect of its logo and in the United Kingdom a registered trademark for its name and a logo.

4.9 How Jaxsta expects to generate revenue

Jaxsta intends that it will initially generate revenue through its Jaxsta Pro and Jaxsta Enterprise products (outlined above). It is presently expected that those products will be ready for launch within approximately six months after the launch of the initial Jaxsta Beta. It is Jaxsta's objective is to generate income from its Pro, Enterprise and API solutions for which individual or entities purchase license on-line to access the information. Although these timings are based on Jaxsta's best estimates, this timing is contingent upon factors which are outside of the Company's control, including the finalisation of contracts not yet finalised. The launch will not commence until the Company has deemed it has qualitative industry coverage to ensure that users have a satisfactory user experience.

4.10 Jaxsta products

The below products are our present priorities unless a new business opportunity presents in which case we would shift priorities to remain agile and have the ability to make another a product our focus:

- (a) **Jaxsta Pro – a paid subscription based product:** Jaxsta's industry vetted membership service purpose is to provide access to key industry information including official industry charts and new chart tracking service, market information (certification figures to market specific research) which as a tool could be compared to an industry dashboard such as Bloomberg. Industry professional subscribers are expected to log onto "Jaxsta Pro" and enter into an agreement to obtain information

and to authorise Jaxsta to publish information regarding themselves and their business. The rollout of Jaxsta Pro offers a detailed membership subscription model for industry professionals, creative talent and music industry students.

- (b) **Jaxsta Enterprise – an enterprise paid subscription for company wide subscriptions:** The second tier of the pro subscription service purpose is to secure “Jaxsta Enterprise” memberships for company-wide subscriptions and large scale organisations. For example, labels, publishing houses, royalty associations and industry bodies can buy site licenses offering them additional benefits on top of their discounted membership to ensure all staff have access to Jaxsta. The Company’s objective is to start with the US, UK and Australian markets and target the music industry’s top 20 markets as the database grows.
- (c) **Jaxsta Commercial API – the sale of its API/data feed to 3rd parties:** The Jaxsta Commercial API is intended to offer a web-service based version of the data in the Jaxsta database – something data partners or third parties can use to enhance their existing content and overall user experience. Jaxsta proposes to licence their API to a number of digital service providers. There are many different ways Jaxsta’s API can be incorporated into a business solution. For radio networks, accurate liner notes can help on-air talent with further talking points. For leading streaming services we propose to supply a data feed of official deep enhanced metadata. Jaxsta Commercial API is estimated to realise be commercial operating within 12 months from launch of Jaxsta Pro.
- (d) **Industry Reports – paid industry reports:** There are many different facets of the music industry, from record labels to publishing to music supervision in film and television. The reports are auto generated by Users picking fields of data that they require for each report. The information is not commercially sensitive. Jaxsta plans for many different facets of the industry to be able to customise and auto generate reports that are specific for their needs, be it a music supervisor, a manager, a record label or a booking agent. Jaxsta intends to cater specific reports for the industry, saving industry professionals crucial time.
- (e) **Third Party Affiliate Sales – sales from the Jaxsta/com website:** There are many opportunities for affiliate sales in the music industry. The initial stage will involve receiving affiliate revenue from subscribers directed to music services such as Apple Music and Amazon from Jaxsta ‘Listen’ links on the website. Expanded options are planned to be rolled out 18 – 24 months from launch of Jaxsta Beta. For example, if a user of the Jaxsta.com website clicks through to buy a concert ticket from a concert promoter, Jaxsta’s intent would be to receive a clip of the ticket for directing traffic to an executed sale. Other third-party affiliate sale opportunities include merchandise sales and product sales including a purchase of physical music (e.g. CD, vinyl) or artist merchandise.
- (f) **Jaxsta Advertising – website advertising:** Jaxsta’s intends to focus on deploying its www.jaxsta.com website and marketing Jaxsta Pro and Enterprise business model. Jaxsta has generated industry demand through its B2B marketing efforts and its beta programs in which it involved many industry participants. Jaxsta believes the Platform has the potential to revolutionise how people work, therefore making Jaxsta a time saving essential business tool. Jaxsta proposes to have the ability to focus campaign specific messages to targeted website audiences

providing cost effective advertising with the aim to provide efficient results and measurement tools.

4.11 Key Dependencies of the Business Model

The key factors that the Company will depend on to meet its objectives are:

- (a) completion of the signing and maintaining the commercial data access agreements with all major labels;
- (b) completion of the development of various data technology solutions for each of the Jaxsta revenue streams; and
- (c) adoption of Jaxsta as a key industry resource based on its usability and reputation as a single .

4.12 Growth Strategy

The Company intends to increase Shareholder value as per the vision outlined above, by adopting the following strategies:

- (a) deliver on each of the proposed Jaxsta revenue streams;
- (b) become a key industry resource for information and connections in the music industry; and
- (c) continue to lead the innovation and validation in all facets of the entertainment industry.

4.13 Funding

The funding for the Company for the two years following re-admission to the Official List of ASX will be met by the offer of Shares pursuant to the Offer under this Prospectus, proceed from the sale of MRT and by the Company's existing cash reserves (see Section 3.6 for further details). As and when further funds are required, either for existing or future proposed developments, the Company will consider both raising additional capital from the issue of securities and/or from debt and other funding methods if applicable.

4.14 Financial Information

(a) Historical financial information

The Investigating Accountant's Report contained in Section 7 of this Prospectus sets out:

- (i) the audited Statement of Financial Position of Mobilarm Limited as at 30 June 2017;
- (ii) the audited Statement of Financial Position of Jaxsta Holdings Pty Ltd as at 31 December 2017 and 30 June 2017; and
- (iii) the reviewed pro-forma Statement of Financial Position of Mobilarm Limited (after Settlement of the Acquisition) as at 31 December 2017.

Investors are urged to read the Investigating Accountant's Report in full.

The full financial statements for Mobilarm for its financial year ended 30 June 2017, which includes the notes to the financial statements, can be found from Mobilarm's ASX announcements platform on www.asx.com.au.

(b) **Forecast**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of Jaxsta are inherently uncertain. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

4.15 Dividend Policy

It is anticipated that, post-Settlement of the Acquisition, the Company will focus on the development of the Jaxsta Business. This will likely require significant funding. Accordingly, the Company does not expect to declare any dividends during this period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company at this time.

4.16 Capital Structure

The expected capital structure of the Company following completion of the Offer and all related matters (assuming no Options are exercised) will be as follows:

SHARES	Number
Shares currently on issue	49,812,106
Shares to be issued on conversion of existing Convertible Notes	32,000,000
Shares to be issued on conversion of existing Performance Rights	550,000
Consideration Shares to be issued for Acquisition ¹	106,991,795 ¹
Jaxsta Warrant Shares ²	408,000
Shareholder Loan Repayment Shares	2,000,000
Shares to be issued pursuant to the Offer ²	35,000,000
Shares to be issued under the Cleansing Offer	1,000
Total Shares on issue at Completion of the Offer³	226,762,901

Notes:

- As set out in the Notice of Meeting, the Company has sought approval to issue up to 115,420,126 Shares to complete the Acquisition, with the final number to be based upon the total number of Shares on issue in Jaxsta as at the date of this Prospectus. This figure

represents the total number of Shares on issue in Jaxsta. Refer to Section 9.1 below for details on the terms of the Acquisition.

- As set out in Section 9.1, as part of the Acquisition, the Company will issue 408,000 Shares for certain warrants held by unrelated seed investors in Jaxsta.
- This assumes that the maximum subscription of \$7,000,000 is raised under the Offer. If the Company raises the minimum subscription of \$5,000,000, only 25,000,000 Shares will be issued pursuant to the Offer.

OPTIONS	Number
Options currently on issue	Nil
CEO Options ¹	20,000,000
Lead Manager Options ²	3,000,000
Total Options on issue at Completion of the Offer³	23,000,000

Notes:

- Terms and conditions of the CEO Options are set out in Section 10.3 below.
- The terms and conditions of the Lead Manager Options are set out in Section 10.4 below.
- In addition to the Options on issue at completion of the Offer, as part of their engagement, the Company has agreed to issue certain Options to the proposed Non-Executive Directors, subject to the receipt of Shareholder approval at a general meeting, expected to be at the Company's annual general meeting for 2018.

4.17 Substantial Shareholders

As at the date of this Prospectus, the following Shareholders hold 5% or more of the total number of Shares on issue, including the conversion of convertible notes:

Shareholder	Shares	%
Melanie Verheggen & associates ¹	19,522,236	23.70%
Mr Simon Charles Howard Tripp	12,686,323	15.40%
Blazzed Pty Ltd	6,871,503	8.34%
Gleneagle Securities Nominees	6,580,470	7.99%

Notes:

- This represents the holdings for Melanie Verheggen and associates including Dutch Ink (2010) Pty Ltd.

On completion of the Acquisition and the Offer (assuming minimum subscription under the Offer), the following Shareholders are expected to hold 5% or more of the total number of Shares on issue:

Shareholder	Shares	%
Gleneagle Securities Nominees	26,980,470	12.45%
Jacqueline Samantha Louez Schoorl	25,920,004	11.96%
Louis Schoorl	25,920,004	11.96%
Melanie Verheggen and associates ¹	20,855,568	9.62%
Mr Simon Charles Howard Tripp	12,686,323	5.85%

Notes:

1. This includes holdings by Melanie Verheggen, Dutch Ink (2010) Pty Ltd and other related parties.

On completion of the Acquisition and the Offer (assuming the maximum subscription under the Offer), the following Shareholders are expected to hold 5% or more of the total number of Shares on issue:

Shareholder	Shares	%
Gleneagle Securities Nominees	26,980,470	11.90%
Jacqueline Samantha Louez Schoorl	25,920,004	11.43%
Louis Schoorl	25,920,004	11.43%
Melanie Verheggen and associates ¹	20,855,568	9.20%
Mr Simon Charles Howard Tripp	12,686,323	5.59%

Notes:

1. This includes holdings by Melanie Verheggen, Dutch Ink (2010) Pty Ltd and other related parties.

4.18 Restricted Securities

Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, certain Securities on issue (including the Consideration Shares and Consideration Options) may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.

During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company intends to apply to the ASX for a waiver from certain restriction requirements that might otherwise apply to Consideration Securities on the basis that a majority of the Vendors:

- (a) paid cash for their Jaxsta Shares; and
- (b) have held their Jaxsta Shares for a substantial period of time prior to the Acquisition of Jaxsta by the Company.

Subject to this waiver, a proportion of the Consideration Securities may be restricted from trading for a period of up to 24 months after the date of re-admission of the Company to the Official List. The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's listed securities being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).

4.19 Top 20 Shareholders

The Company will announce to the ASX details of its top 20 Shareholders following completion of the Offer and prior to the Securities re-commencing trading on ASX.



5. BOARD AND MANAGEMENT

5.1 Directors and key personnel of the Company

As at the date of this Prospectus, the Board comprises of:

- (a) Sir Tim McClement, Independent Chair;
- (b) Robert Kenneth Gaunt, Director & Chief Executive Officer; and
- (c) Jorge Nigaglioni, Director & Chief Financial Officer.

It is proposed that upon Settlement of the Acquisition, existing Directors Sir Tim McClement and Robert Gaunt will resign and proposed Directors Launa Inman, Jacqueline Louez Schoorl, Linda Jenkinson and Brett Cottle AM will be appointed as Directors. Mr Nigaglioni will remain as a Director post completion of the Acquisition for an interim period of 3 months post the re-listing of the Company.

Ms Launa Inman (Proposed Non-Executive Chairperson)

Launa holds a Masters of Commerce from the University of South Africa.

Launa is a Non-Executive Director of the Super Retail Group, where she is Chair of the Remuneration Committee. She also a Board Member and Audit Committee member of Precinct, a New Zealand commercial property group. Launa also serves on two not-for-profit boards, The Alannah Madeline Foundation and the Virgin Melbourne Fashion Festival.

Launa's previous board experience includes 7 years as a Non-Executive Director of Commonwealth Bank of Australia Limited.

Launa has served as Managing Director/CEO of Officeworks, Target Australia and Billabong International, where she was one of only six Woman CEOs in the ASX 200.

Launa's experience is recognised internationally as a leader of large corporations, multi-brand wholesale and retail, e-commerce, strategic planning, marketing and corporate restructuring.

Previously a winner of the Telstra Australian Businesswoman of the Year, Launa has also been awarded the Sir Charles McGrath award by the Australian Marketing for her significant contribution to the field of marketing and wider industry achievements.

Launa will be considered independent in her role as Chairman following completion of the Acquisition.

Jacqueline Louez Schoorl (Proposed Executive Director)

Jacqui's career spans two decades across music, film and television, working for the likes of Channel 9, IF Magazine, George Lucas' private company on the Star Wars Episodes II and III movies, Baz Luhrmann and Catherine Martin on their 'Chanel No. 5' campaign, Amalgamated Holdings (now Event Hospitality) and EMI Music.

For the past five years, Jacqui has been working solely on Jaxsta.

A regular panelist, Jacqui's speaking engagements have included Commonwealth Bank's Women In Focus conference, BigSound 2017, General Assembly, Australian Music Week and Music Australia - Contemporary Music Roundtable Conference, ARIA Masterclass series, The Future of What podcast and Vivid 2017.

Jacqui also spends her time working as the Founder of Women In Music Sydney, a non-profit organisation bringing together a dynamic group of dedicated music professionals to network, learn and in the process create a supportive community. She also acts as a speaker for Dementia Australia, where she helps to shed some light on the journey for those with Dementia or Alzheimer's and the family and loved ones who are on the journey.

Jacqui is a alumni member of CBA's (Commonwealth Bank of Australia's) Women In Focus Program.

Jacqui will not be considered independent in her role as Executive Director following completion of the Acquisition.

Brett Cottle AM (Proposed Non-Executive Director)

Brett was the Chief Executive of Australasian Performing Right Association Ltd (APRA) for 28 years until stepping down in June 2018. For the last 21 of those years Brett also held the position of Chief Executive of Australasian Mechanical Copyright Owners Society Ltd (AMCOS) following the merger of back offices of those organisations in 1997.

APRA AMCOS administers performance, broadcast, on line and recording rights in musical works on behalf of songwriters and music publishers, and is the largest music industry body in Australasia with annual turnover exceeding \$300 million.

Brett hold a law degree from Sydney University, is a past Director of the Australian Copyright Council and a past member of the Copyright Law Review Committee.

Between 1991 and 2018 Brett was a Director of the International Confederation of Societies of Authors and Composers (CISAC) and is the only Australian to have served as Chair of that international body, a position he held between 2005 and 2010.

In 2012 Brett was awarded the Order of Australia.

Linda Jenkinson (Proposed Non-Executive Director)

Linda Jenkinson is a successful businesswomen and entrepreneur with over 25 years of general management and consulting experience. She's founded numerous businesses and was the first New Zealand woman to list a company on the NASDAQ stock exchange, with DMSC, the \$250 million on-demand courier company she co-founded. She also co-founded a global customer and employee experience platform, which was sold to the Accor hotel group, and WOW for Africa which was a social venture fund supporting women entrepreneurs in Senegal.

Linda Jenkinson is an experienced company director, sitting on multiple boards including Air New Zealand, Eclix Group and Guild Group. She's received a number of awards including EY Master Entrepreneur of the Year New Zealand in 2013, World Class New Zealander in 2016 and is a Top 100 Most Influential Women in San Francisco. Ms Jenkinson is currently the Chair of Unicef New Zealand. She has been based for many years in San Francisco and during this time for a five years served on the Board of the Bay Area Red Cross and was Chair of the fund raising committee.

Prior to her entrepreneurial career, Linda was a Partner at A.T. Kearney in the Global Financial Services practice where she worked with some of the world's largest financial institutions. Linda holds a Master of Business Administration from The Wharton School, University of Pennsylvania in Finance and a Bachelor of Business Studies from Massey University in Data Processing and Accounting & Finance. She qualified for her New Zealand CPA (ACA).

Linda is currently building Level-Up, a program to supercharge high-growth companies who are expanding globally. She is a New Zealand citizen who holds residency in the United States and co-locates between Wellington and San Francisco.

Linda will be considered independent in her role as Non-Executive Director following completion of the Acquisition.

Jorge Nigaglioni (Non-Executive Director)

Mr Nigaglioni has over 24 years of experience in accounting and finance roles in both public and private companies. Jorge has worked with start up companies and has been CFO for two publicly listed companies in the United States and Australia. As a Controller at Agilent Technologies, he was involved in turning around two divisions to profitability. In his last two years at PricewaterhouseCoopers he was involved in auditing and consulting for start up companies, where he has focused his expertise to launch early ventures to success.

Mr Nigaglioni has a Masters of Business Administration from the University of Wisconsin-Madison and a Bachelor's of Science degree in Business Administration from Bryant University. Mr Nigaglioni is a graduate and member of the Australian Institute of Company Directors and also holds a Certificate in Governance Practice and Administration from Chartered Secretaries Australia.

5.2 Key Management Personnel

Renee Bryant, Chief Financial Operations Officer

Inspired by artists such as David Bowie, Radiohead and Jeff Buckley, Renee Bryant brought her live music background to Jaxsta in March 2018 when she began as the Chief Financial Operations Officer.

Renee comes to Jaxsta after 10+ years working with the multi-million dollar entrepreneurial music business Chugg Entertainment (five years as CFO) promoting and financing incredible international acts including Coldplay, Pearl Jam, Elton John and Sia as they performed large-scale tours across Australia and New Zealand. As a strategic and lateral thinker with an MBA and more than two decades of finance experience across a range of companies, Renee is a commercially focused CFO with a proven track record in finance and operations. Using her strong interpersonal skills, Renee has a demonstrated ability to offer strategic advice to boards on financial performance and sustainability, and is also skilled in scoping joint venture feasibilities. Renee's extensive experience in managing risk and working with foreign currency will be invaluable to Jaxsta as it moves to the next phase of its business.

Phil Morgan, Chief Information Officer

An experienced technical business strategist and walking database of music trivia, Phil Morgan is the CIO of Jaxsta whose role is to create a database of music credits for the global music industry and music lovers across the world.

With over 10 years' experience driving technical solutions at scale for some of Australia's biggest brands including as Woolworths, ALDI, Target, and Dick Smith, Phil has a broad business knowledge that he combines with constant technical development to ensure any solution he works on is cutting edge. Phil brings a true end-to-end understanding of operating online businesses, with experience across project management, business development, consultancy, digital marketing, finance, analytics, logistics and brand strategy in addition to his technical expertise.

Dick Huey, Head of Partnerships

New York City-based Dick Huey leads Jaxsta's global partnership initiatives for metadata sourcing and acquisition, and for metadata licensing/business development. Dick founded the digital strategy, marketing and music rights licensing service company Toolshed in 2002. Toolshed clients have included SoundExchange, Spotify, Merge Records, Red Bull Music Radio, the Beggars Group, and many other key independent and major record labels.

Dick brings twenty five years' experience working with consumer brands, media, tech, sports and entertainment companies – and more than 350+ premier artists including Arcade Fire, Ani DiFranco, Amy Ray, Aimee Mann and Spoon. Dick brings a broad level of industry experience in the areas of strategic planning and digital music rights acquisition. He has an extensive network within the music industry. He served for twelve years on the Soundexchange board representing Matador Records, and serves as current Board Chairman and past Executive

Director of the Future of Music Coalition in Washington D.C. Dick began his career as a performer and music manager, and signed and managed artists at the Beggars Group and Glitterhouse Records.

5.3 Personal Interests of Directors

Directors are not required under Mobilarm's Constitution to hold any Shares to be eligible to act as a director.

Details of the Directors' and Proposed Directors' remuneration and relevant interest in the Securities of the Company upon completion of the Offer are set out in the table below:

Director	Remuneration for year ended 30 June 2018	Remuneration for year ended 30 June 2017	Proposed remuneration for current financial year	Shares	Options
Existing Directors					
Sir Tim McClement	105,528	101,566	143,750	100,000	-
Robert Gaunt	452,692	558,799	343,750	6,871,503	-
Jorge Nigaglioni ³	228,478	252,761	60,000 ¹	650,179	-
Proposed Directors					
Launa Inman ⁴	-	-	120,000 ¹	666,666	-
Jacqueline Louez Schoorl	-	-	300,000 ^{1,2}	25,920,004	20,000,000
Linda Jenkinson ⁴	-	-	60,000 ¹	-	-
Brett Cottle ⁴	-	-	60,000 ¹	166,668	-

Notes:

1. The amounts payable to the Directors exclude any statutory superannuation that may be payable to those Directors.
2. The terms of the employment agreement entered into with Jacqueline Louez Schoorl is set out in Section 5.5.1 below. Her initial salary will be \$110,000 (exclusive of superannuation) and is subject to increase on the achievement of certain milestones outlined in Section 5.5.1. In addition to this salary, Shareholders have approved the issue of 20,000,000 CEO Options, the terms of which are set out in Section 10.3 below.
3. From completion, Mr Nigaglioni's remuneration will be reduced to \$60,000 per annum as a non-executive director for the period of the 3 months that he intends to remain a Director following completion of the Acquisition. Prior to completion, his remuneration includes salary, leave and superannuation entitlements during the months employed as Chief Financial Officer as well termination benefits from his executive role which amount to \$344,400.
4. As part of their engagement, Proposed Directors Launa Inman, Linda Jenkinson and Brett Cottle are entitled to receive options. The issue of these options remains subject to the approval of the Company's Shareholders at a general meeting and are therefore not guaranteed of being issued until such time as that approval is received.

Remuneration includes salaries, bonuses, superannuation, long service leave, as well as the amortisation of share based compensation expenses for options or performance share rights granted, whether they vested or not.

Remuneration for the existing directors in the current financial year also includes termination or redundancy payments.

The Company's Constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The Shareholders have approved the payment of fees to the Non-Executive Directors which in aggregate cannot exceed \$500,000 per annum, although this may be varied by ordinary resolution of the Shareholders in general meeting. The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

5.4 Director participation in the Offer

Proposed Directors Brett Cottle and Launa Inman have both indicated that they may elect to participate in the Offer and apply for Shares under this Prospectus.

5.5 Agreements with Directors

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not to be present while the matter is being considered at the meeting and does not vote on the matter.

The Company will report all payments made to related parties in its annual report for each year.

5.5.1 Executive Services Agreement – Jacqui Louez Schoorl

The Company has entered into an employment agreement with Jacqueline Samantha Louez Schoorl for the position of Chief Executive Officer (**CEO**) which will commence at the completion of the Acquisition.

Under the terms of the agreement, the CEO will be paid a base salary of \$110,000 per annum, until such time as a completed data access agreement is completed with a major label, at which time the base salary will increase to \$205,000 per annum. At the time of a second label completing its agreement, the base salary will increase to \$300,000 per annum.

Additionally, the CEO or nominee will be given a share option award of 20,000,000 share options at an exercise price of \$0.20 per option. The options will vest and be capable of exercise in tranches of 1,000,000 options for every share price increase of \$0.10 from the initial price of \$0.20 on a trailing 30-day VWAP basis. Any unexercised options will expire 5 years from the date of grant.

5.5.2 Non-Executive Directors Appointment Letters

Each of the proposed non-executive directors have entered into appointment letters with the Company to act in the capacity of Non-Executive Chair, in the case of Ms Inman, and Non-Executive Directors, in the case of Ms Jenkinson and Mr Cottle. These Directors will receive the remuneration set out in Section 5.3 above upon the Company being admitted to the Official List.

5.5.3 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

6. RISK FACTORS

The business, assets and operations of the Company, including after completion of the Acquisition, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risk factors can impact the value of an investment in the securities of our Company. The Company's Securities comprise a speculative investment, particularly as it is proposed for the Company's business after the Acquisition to comprise participation in the digital currency sector and its associated business.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited.

Set out below are specific risks that the Company is exposed to.

Shareholders should be aware that if the Acquisition is approved and completed, the Company will be changing the nature and scale of its activities and will be subject to additional or increased risks arising from Jaxsta, parties contracted or associated with Jaxsta and the Share Purchase Agreement and other agreements, including, but not limited to, those summarised in this Prospectus. The summary of risks that follows is not intended to be exhaustive and this Prospectus does not take into account the personal circumstances, financial position or investment requirements of any particular person. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company, Jaxsta and their related entities and consequently Applicants. Based on the information available, a non-exhaustive list of risk factors for the Company associated with the Company's proposal to acquire all Jaxsta's Shares are as follows.

6.1 Risks relating to the Change in Nature and Scale of Activities

(a) Re-Quotation of Shares on ASX

The acquisition of Jaxsta Holdings Pty Ltd constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

(b) Dilution risk

The Company currently has 49,812,106 Shares on issue. Pursuant to the Acquisition Agreement, the Company proposes to issue:

- (i) Shares to complete the Acquisition
- (ii) Shares upon the conversion of existing Convertible Notes and Performance Rights on issue; and

- (iii) the Shares under the Offer.

On issue of the Consideration Shares and the Capital Raising Shares (on a Minimum Subscription basis):

- (i) the existing Shareholders (including holders of Shares upon conversion of Convertible Note and Performance Rights) will retain approximately 38.00% of the Company's issued Share capital;
- (ii) the Jaxsta Shareholders (including holders of the Shareholder Loan Repayment Shares) will hold approximately 50.47% of the Company's issued Share capital; and
- (iii) the investors under the Capital Raising will hold approximately 11.53% of the Company's issued Share capital.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Jaxsta technology and Platform.

(c) Counterparty and contractual Risk

The Company has agreed to acquire 100% of Jaxsta Holdings Pty Ltd from the Jaxsta Shareholders subject to the fulfilment of certain conditions precedent.

The ability of the Company to achieve its stated objectives will depend on the performance by Jaxsta and the Jaxsta Shareholders of their obligations under these agreements. If Jaxsta or any other counterparty defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(d) Liquidity Risk

On Settlement, the Company proposes to issue Shares to the Jaxsta Shareholders in consideration for the acquisition of 100% of the issued capital of Jaxsta not already held by the Company. The Company understands that ASX will treat these securities as restricted securities in accordance with Chapter 9 of the ASX Listing Rules. However, submissions will be made to the ASX to apply for cash formula relief in respect of these Securities.

Based on the post-Acquisition capital structure (assuming no further Shares are issued or Options exercised), the Consideration Shares will equate to approximately 50% of the issued Share capital on an undiluted basis (assuming Minimum Subscription under the Offer). This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

6.2 Risks specific to Jaxsta's business

An investment in our ordinary shares involves a high degree of risk. You should carefully read the following risks, along with the other information included in the prospectus. If any of the following risks occurs, our business, results of operations, financial condition, and cash flow could be materially impaired. The public price

of our ordinary shares could decline due to any of these risks, and you could lose all or part of your investment.

(a) Software risks

Jaxsta is reliant on the availability and quality of its software. It is possible that an event could occur (ie. a software, hardware or connectivity outage, a software error or malfunction) that renders critical functionality that Jaxsta relies on for business to become unavailable affecting Jaxsta's ability to service its customers. Jaxsta has built backup, redundancy and Disaster Recovery plans into its systems architecture to mitigate this risk.

(b) Development risks

The Platform has been developed in cooperation with the industry, but such a platform is the first of its kind in this format. The Company has built its business model to succeed at management's view of reasonable take up levels based on management's belief on what is a realistic base of assumptions. As with all software businesses, development time is crucial. Jaxsta requires continuous development in order to grow the business by providing more features, new revenue streams and competitive barriers. Jaxsta mitigates these risks by implementing Agile software development practises to ensure the Platform can pivot and evolve based on changing requirements.

(c) Future funding needs

The cash reserves of the Company as at Settlement, the funds to be received following the sale of MRT and the funds raised under the Public Offer are considered sufficient to meet the immediate objectives of the Company. Further funding may be required by the Company in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its strategies. We may require additional funds to respond to business challenges, including the need to develop new features or enhance our existing Service, expand into additional markets around the world, improve our infrastructure, or acquire complementary businesses and technologies. Accordingly we may need to engage in equity and debt financings, including other methods if applicable to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our existing shareholders could suffer additional significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our ordinary shares. Any debt financing we secure in the future, could contain restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on terms favourable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to support our business growth, acquire or retain Users, and to respond to business challenges could be significantly impaired. This may result in the delay or cancellation of certain activities or projects which would likely adversely affect the potential growth of the Company which in turn could harm our business.

(d) **Deferred sale proceeds from the sale of the MRT Business** – as summarised in this Prospectus, the Company has entered into an agreement to dispose of its existing MRT Business. Under that agreement, the Company will receive the consideration for the sale in instalments, \$1 million at settlement, \$1 million on the 1st anniversary of the settlement and the remaining \$4 million on the second anniversary of the settlement. The Company's budgets may rely and assume receipt of those funds, and if, for any reason, there is any delay or the purchaser does not meet their contractual obligations, the Company may need to consider ways to make up any budgeted shortfall at that time, in addition to any separate consideration of its contractual rights against the purchaser.

(e) **Attracting and retaining customers to the Platform**

The Company's revenue can be affected by its ability to attract and retain customers on the Platform. Various factors, such as marketing and promotions, brand damage or interruptions to service provisions, can affect the level of these customers using the Platform. We must convince prospective Users of the benefits of our Service. Our ability to attract new Users, is dependent on our capacity to offer leading technologies and products, compelling content, superior functionality, and an engaging User experience. As consumer tastes and preferences change on internet-connected products, smart phones and with the evolution of smart speakers penetrating our industry, we will need to ensure we continually enhance and improve our service and introduce new services and features. It is important that Jaxsta remains up to speed with technological advances whilst keeping our platform adaptable. If we fail to keep pace with technological advances or fail to deliver a compelling User experience and product offerings our ability to grow or sustain the reach of our Service, attract and retain Users and develop new products may be adversely affected.

To combat these threats to the business we will focus on delivering:

- A consistently high-quality and user-friendly User experience;
- Continuing to grow our data partner base to provide an extensive and thorough collection of music data covering a global music industry;
- Continuing to innovate and keep up to date with changes in technology, and being ready to pivot if and when necessary to adapt to new technological developments;
- Continue to build and maintain our relationships with suppliers and the music industry;
- Continue to build and maintain our relationships within the creative community of the music industry and industry professionals who are our focus market for Jaxsta Pro. Engage their feedback, and ensure the User experience remains compelling and their product of choice;
- Continue to monitor our competitors to stay relevant;
- Ensure we are continuously bringing new features to the market.

(f) Computer system risk

Our growth depends on the ability of our potential customers to access our platform at any time and within an acceptable amount of time. In addition, with Jaxsta Pro our intention is to rely almost exclusively on our website for the payment of that product. We may in the future experience disruptions, data loss, outages and other performance problems with our infrastructure and website due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, denial of service attacks or other security-related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times as our products and website become more complex and our user traffic increases. If our products and websites are unavailable or if our users are unable to access our products within a reasonable amount of time, or at all, our business would be harmed. Moreover, we depend on services from various third parties, such as Amazon Web Services to maintain our infrastructure and distribute our products via the Internet. Any disruptions in these services, outside of our control, would significantly impact the continued performance of our products. In the future, these services may not be available to us on commercially reasonable terms, or at all. Any loss of the right to use any of these services could result in decreased functionality of our products until equivalent technology is either developed by us or, if available from another provider, is identified, obtained and integrated into our infrastructure. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, results of operations and financial condition could be harmed.

To mitigate these risks to the business we:

- Utilise cloud based infrastructure to back up across multiple regions covering our global market; Endeavour to ensure architecture is scalable and systems are constantly evolving to take advantage of more performative technologies;

(g) Data loss, theft or corruption

Techniques used to gain unauthorised access to data and software are constantly evolving, and we may be unable to prevent unauthorised access to data pertaining to our Users, including credit card and debit card information and other personal data about our Users, business partners and employees. Like all internet services, our Service, which is supported by our own systems and those of third parties we work with, is vulnerable to software bugs, computer viruses, internet worms, break-ins, phishing attacks, attempts to overload servers with denial-of-service, data scraping or other attacks and similar disruptions from unauthorised use of our third-party computer system. Any of these could lead to system interruptions, delays or shutdowns, causing loss of critical data or the unauthorised access to personal data. Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, any failure to maintain performance, reliability, security and availability of our products and technical infrastructure to the satisfaction of our Users may harm our reputation and our ability to

attract new Users. Although we are developing our systems with the aim of adhering to GDPR (General Data Protection Regulation) standards and utilise industry standards for security protocols to prevent or detect security breaches, we cannot assure you that such measures will provide absolute security. We may incur significant costs in protecting against or remediating cyber-attacks.

If an actual or perceived breach of security occurs to our systems or a third party's systems, we may face regulatory or civil liability. Public perception of our security measures could be diminished, which would negatively affect our ability to attract and retain Users, which in turn would harm our efforts to attract and retain data partners, content providers and other business partners. We would also be required to expend significant resources to mitigate the breach of security and to address matters to any such breach. We may also be required to notify regulators about any actual or perceived personal data breach (including the EU Lead Data Protection Authority) as well as the individuals who are affected by the incident within strict time periods.

Any failure or perceived failure, by us to maintain the security of data relating to our Users, to comply with our privacy policy, laws and regulations, industry standards, and contractual provisions to which we may be bound, could create a loss of confidence in us. This could also result in actions against us by governmental entities or others, all of which could result in litigation and financial losses, and could potentially cause us to lose Users, data partners and revenue generating opportunities. In Europe, European Data Protection Authorities could impose fines and penalties of up to 4% of annual global turnover or €20 million, whichever is higher, for a personal data breach.

Jaxsta has risks on both the data ingestion and data maintenance portion of the business. On the data ingestion side, Jaxsta has developed and driven new standardised tools to ensure data that is ingested is translated into a Jaxsta proprietary format before being made available to the public. This will ensure that no proprietary partner data is available in its original format. The ingestion process has also worked with industry groups and data partners to utilise standards to ensure the highest level of compatibility. Regarding data maintenance, Jaxsta utilises various systems to manage their structures and assets to prevent unauthorised access and corruption of data. Jaxsta will provide its services online through its Platform.

Jaxsta has strategies and protections in place to mitigate security breaches and to protect data including:

- Maintaining an isolated and secure data supply chain;
- Data security is important to Jaxsta and our data partners.
- We endeavour to separate the source data formats supplied by our partners from data required by the public website as much as is practical. We maintain an entirely separate data ingestion supply chain, ensuring that data supplied to us by our industry partners is not exposed to the public in the format in which it was supplied. Only after significant data transformation is a customer facing version of our data supplied to our public website. At this stage it is only the required fields for public

display, transformed and translated into a Jaxsta proprietary format.

- Ensuring all data not required for public access is maintained on Virtual Private Cloud networks inaccessible to the public;
- Utilising firewall-based access and intrusion monitoring to minimise the possibility of public data being downloaded or scraped in bulk by automated tools;
- Building secure processes and procedures into all aspects of the business to reduce the risk of data being compromised;
- Assessing all 3rd party software utilised by the business before installation, both locally and held on 3rd party servers, to minimise any risk of unauthorised data access;
- Detailed security review for all third-party software before any staff can utilise new software to minimise risk;
- Scheduled staff training to mitigate the risk of staff unintentionally introducing a risk to our systems;
- Intention to engage third party external security firm to perform penetration testing of our systems;
- To stop both DDOS attacks and mass scraping of data, we are utilising Amazon Cloudfront, Shield and WAF (Web Application Firewall) services;
- To stop mass scraping of data, we are developing methods such as honeypot links in the front end application and rate limiting firewall rules.
- Restricting all access to company data to company networks and equipment wherever practical.

(h) Counterparty risk

Jaxsta has executed and expects in the normal course of business to execute several commercial agreements and arrangements in the future with third parties that are or may be material to the financial performance and prospects of the business. All agreements carry risks associated with the performance by the parties of their obligations. The data partner agreements will be for an initial term of one year, with automatic renewal for a further year, unless the data provider elects to terminate. However, this is not unusual for the industry.

We have no control over our providers of our content and our business may be adversely affected if our access to accurate metadata is limited or delayed. The concentration of control of content by our major providers means that even one entity, or a small number of entities working together, may unilaterally affect our access to music and other content. We rely on the custodians of the data, music rights holders, over whom we have no control, for the metadata we make available on the www.jaxsta.com platform. We cannot guarantee that these parties will always choose to license to us.

The music industry has a high level of concentration, which means that one or a small number of entities may, on their own, take actions that adversely affect our business. Our business may be adversely affected if our access to music metadata is limited or delayed (which would affect the size and quality of our database) because of deterioration in our relationships with one or more of these rights holders if they choose not to license to us for any other reason. Rights holders may also attempt to take advantage of their market power to seek onerous financial terms from us, which could have a materially adverse effect on our financial condition and results of operations. To the extent we are unable to license a large amount of metadata and content or the content of certain popular artists, our business, operating results, and financial condition could be materially harmed.

(i) Reputation Risk

Jaxsta operates in an online environment therefore unfavourable publicity regarding: terms of Service, Service changes, Service quality, the actions of our developers whose services are integrated with our Service, the use of our Service for illicit, objectionable, or illegal ends, the actions of our Users, the quality and integrity of content shared on our Service, or the actions of other companies that provide similar services to us, could materially affect our reputation. Such negative publicity could have an adverse effect on the size, engagement, and loyalty of our User base and result in decreased revenue, which could materially adversely affect our business, operating results, and financial condition.

Negative publicity can spread quickly, whether true or false. Disgruntled customers posting negative comments about Jaxsta, in public forums may also have a damaging effect on Jaxsta's reputation and its ability to earn revenues and profits.

Our brand may be impaired by a number of other factors, including failure to keep pace with technological advances on our platform or with our Service, slower load times for our Service, a decline in the quality or quantity of the content available on our Service, a failure to protect our intellectual property rights, or any alleged violations of law, regulations, or public policy.

To mitigate these risks Jaxsta:

- is working with Publicists locally and internationally who will alert us to any bad press and help mitigate the fallout;
- Has an alerts system that notifies us of press for monitoring;
- Has a digital media agency that manages our social media and necessary responses working with the wider Jaxsta team and our team of Publicists;
- Has a communications flow policy for all media releases involving our company secretary, our local fin/tech PR firm, our local music industry PR firm, international PR team and digital media agency.

- The Social Media team and PR team have a communication plan in place for responding to social media questions and comments. Appropriate responses have been prepared, then reviewed and approved by senior management to ensure we can respond to questions and comments on social media in a timely manner with the best possible response;
- created clear escalation pathways in place to respond to comments that fall outside the scope of our prepared responses;
- Created info@jaxsta.com and social@jaxsta.com - both email addresses have multiple people receiving these emails so there is always someone to review, respond or escalate if required.

(j) Culture Maintenance Risk

Our corporate culture has contributed to our success so far, and we need to maintain this as we grow. The innovative approach, creativity and teamwork fostered by our culture and our business is essential for success.

We believe that our culture creates an environment that aims to drive and perpetuate our product strategy. Preserving our company culture enables us to retain and recruit personnel, innovate, operate effectively and execute on our business strategy.

We intend to mitigate this risk by:

- Ensuring our recruitment philosophy is focussed on values-alignment. By sourcing talent who understand our vision, demonstrates behaviours that contribute positively to culture and share the traits that uphold our values, we are consciously constructing a team that organically nurtures a culture through growth.
- Acknowledging that growth will require an agile change management approach to protect the stability of our culture. All operational decisions that impact People are managed with an internal communications strategy, support structure and open feedback loop through individual and team consultation.
- Maintaining a direct, multichannel communication strategy. The objective of proactive and creative communication is to create an inclusive and transparent environment that positively impacts our employee experience.
- Building innovation and a culture of creativity into operational rhythm. For example, Jaxsta have incorporated The Thinking Environment® tools into meetings and face-to-face communication. Such tools foster a culture of creativity in day-to-day interactions that is scalable as the organisation grows. Our strategies do not rely on any one individual to drive them as they are built into operational processes.

(k) Sales and Marketing Risk

The Company intends to use some of the funds raised under the Capital Raising on sales and marketing measures to grow the Platform. By their nature, there is no guarantee that such sales and marketing campaigns will be successful. If they are not, the Company may encounter difficulty in creating market awareness of the Jaxsta Platform, which would likely have an adverse impact on Jaxsta's sales and profitability.

If our current marketing model is not effective in attracting new customers, we may need to incur additional expenses to attract new customers and our business and results of operations could be harmed.

Unlike traditional companies, who rely on direct sales methodologies and face long sales cycles, complex customer requirements and substantial upfront sales costs, we propose to utilise a viral marketing model to target new customers. Through this word-of-mouth marketing, we aim to build our brand with relatively low sales and marketing costs. We also intend to build our customer base through various online marketing activities as well as targeted web-based content and online communications. This strategy should allow us to build a substantial customer base and community of users who use our products and act as advocates for our brand and solutions, often within their own corporate organisations. Attracting new and retaining customers requires that we provide high-quality products at an affordable price and maintain our value proposition. If we do not attract new customers through word-of-mouth referrals, our revenue may grow slower than expected or decline. In addition, high levels of customer satisfaction and market adoption are central to our marketing model. Any decrease in our customers' satisfaction with our products, including actions outside of our control, could harm word-of-mouth referrals and our brand. If our customer base does not continue to grow through word-of-mouth marketing and viral adoption, we may be required to incur significantly higher sales and marketing expenses to acquire new subscribers, which could harm our business and results of operations.

We intend to mitigate this risk by:

- Engaging user testing and user acceptance testing in the lead up to Jaxsta launch and in the lead up to release of future products or overall enhancements to our Service;
- Gradually build our marketing activities over a period of time to drive a steady upward growth trajectory.

(l) Competition and new technologies

The industry in which Jaxsta is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While Jaxsta will undertake all reasonable due diligence in its business decisions and operations, Jaxsta will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of Jaxsta and business. New technologies could overtake the advancements made by Jaxsta and affect its revenues and profitability could be adversely affected.

There are relatively low barriers to entry in the field in which Jaxsta operates. Due to the rapid pace of technological change and industry development, it is likely that new technologies or products may be developed that replicate or even potentially supersede aspects of Jaxsta and represents a risk to Jaxsta's business model.

Some competitors, particularly new and emerging companies, could focus all their energy and resources on one product line and as a result, any one competitor could develop a more successful product or service in a particular market which could decrease our market share and harm our brand recognition and results of operations.

(m) Subscription Renewal

Our Jaxsta Pro business will depend heavily on our customers renewing their subscriptions and purchasing additional licenses or subscriptions from us. Any decline in our customer retention or expansion would harm our future results of operations.

For us to maintain or improve our results of operations, it is important that our customers renew their subscriptions when existing contract terms expire and that we expand our commercial relationships with our existing customers. Our customers have no obligation to renew their subscriptions, and our customers may not renew subscriptions with a similar contract period or with the same or greater number of users. Our subscriptions are not long-term contracts, rather they are primarily monthly or annual terms. Some of our customers may elect not to renew their agreements with us and it is difficult to accurately predict long-term customer retention.

Our customer retention and expansion may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with our products, our product support, our prices, the prices of competing software products, reductions in our customers' spending levels, new product releases and changes to packaging of our product offerings, mergers and acquisitions affecting our customer base or the effects of global economic conditions. Although it is important to our business that our customers renew their subscriptions when existing contract terms expire and that we expand our commercial relationships with our existing customers, given the proposed volume of our customers, we may not be able to track the retention rates of our individual customers. As a result, we may be unable to timely address any retention issues with specific customers, which could harm our results of operations. If our customers do not purchase additional licenses or subscriptions or renew their subscriptions, renew on less favourable terms or fail to add more users, our revenue may decline or grow less quickly, which would harm our future results of operations and prospects.

(n) Credit Card Risk

We are most likely going to be subject to a number of risks related to credit card and debit card payments we will accept with the launch of Jaxsta Pro.

For credit and debit card payments, we will be expected to pay interchange and other fees, which may increase over time. An increase in those fees would require us to either increase the prices we charge for our Premium Service, which could cause us to lose Premium Subscribers

and subscription revenue, or suffer an increase in our costs without a corresponding increase in the price we charge for our Premium Service, either of which could harm our business, operating results, and financial condition.

Additionally, we intend to rely on third-party service providers for payment processing services, including the processing of credit and debit cards. Our business could be materially disrupted if these third-party service providers become unwilling or unable to provide these services to us.

If we or our service providers for payment processing services have problems with our billing software, or the billing software malfunctions, it could have a material adverse effect on our User satisfaction and could cause one or more of the major credit card companies to disallow our continued use of their payment products. If our billing software fails to work properly and, as a result, we do not automatically charge our Premium Subscribers' credit cards on a timely basis or at all, our business, financial condition, and results of operations could be materially adversely affected.

We will most likely be subject to payment card association operating rules, certification requirements, and rules governing electronic funds transfers, which could change or be reinterpreted to make it more difficult for us to comply. Jaxsta will need to be compliant with the Payment Card Industry Data Security Standard v3.2.1 ("PCI DSS"), a security standard for companies that collect, store, or transmit certain data regarding credit and debit cards, credit and debit card holders, and credit and debit card transactions. This is an annual certification exercise, and if we fail to comply, we may violate payment card association operating rules, U.S. federal and state laws and regulations, and the terms of our contracts with payment processors and merchant banks. Such failure to comply may subject us to fines, penalties, damages, and civil liability, and may result in the loss of our ability to accept credit and debit card payments. Further, there is no guarantee that, even if we are in compliance with PCI DSS, we will maintain PCI DSS compliance or that such compliance will prevent illegal or improper use of our payment systems or the theft, loss, or misuse of data pertaining to credit and debit cards, credit and debit card holders, and credit and debit card transactions.

If we fail to adequately control fraudulent credit card transactions, we may face civil liability, diminished public perception of our security measures, and significantly higher credit card-related costs, each of which could adversely affect our business, financial condition, and results of operations. If we are unable to maintain our chargeback rate or refund rates at acceptable levels, credit card and debit card companies may increase our transaction fees or terminate their relationships with us. The termination of our ability to process payments on any major credit or debit card would significantly impair our ability to operate our business.

To mitigate these risks:

- We intend to be fully compliant with the Payment Card Industry Data Security Standard v3.2.1 ("PCI DSS"), a security standard with which companies that collect, store, or transmit certain data regarding credit and debit cards, credit and debit card

holders, and credit and debit card transactions are required to comply;

(o) Privacy concerns

Regulations in various jurisdictions limit tracking and collection of personal identification and information. If Jaxsta breaches such regulations, its business, reputation, financial position and financial performance may be detrimentally affected. External events may also cause regulators to amend regulations in respect of the collection and use of user information. Any amended regulations may introduce controls which make the operation of certain types of tracking technologies unusable which could damage Jaxsta's financial position and financial performance.

The U.S. government, including the Federal Trade Commission and the Department of Commerce, continue to review the need for greater regulation over the collection of information concerning consumer behaviour on the internet, including regulation aimed at restricting certain targeted advertising practices. The EU may review the need for greater regulation or reform to its existing data protection legal framework, which may result in a greater compliance burden for companies with users in Europe. Various government and consumer agencies have called for new regulation and changes in industry practices. Our business, including our ability to operate and expand internationally, could be adversely affected if legislation or regulations are adopted, interpreted, or implemented in a manner that is inconsistent with our current business practices and that require changes to these practices, the design of our website, services, features, or our privacy policy.

(p) Protection of Intellectual Property Rights

Jaxsta's business depends on customers being attracted to its platform. The success of our business depends on our ability to protect and enforce our patent and future patents, trade secrets, trademarks, copyrights, and all of our other intellectual property rights, including our intellectual property rights underlying our Service. We attempt to protect our intellectual property under patent, trade secret, trademark, and copyright law through a combination of employee, third-party assignment and nondisclosure agreements, other contractual restrictions, technological measures, and other methods. These afford only a limited level of protection and hence we remain in the process of securing our intellectual property rights. Despite our efforts to protect our intellectual property rights and trade secrets, unauthorised parties may attempt to copy aspects of our database technology or other technology or obtain our trade secrets and other confidential information. Moreover, policing our intellectual property rights is difficult and time consuming especially for a start-up. We cannot assure you that we would have adequate resources to protect and police our intellectual property rights, and we cannot guarantee you that the steps we take will always be effective.

We currently own the www.jaxsta.com internet domain name (www.jaxsta.com) and other various related domain names. Internet regulatory bodies generally regulate domain names. We also own trademarks and logos for the purposes of the Jaxsta Platform. However, should Jaxsta not renew or otherwise lose control of its domain name, it

would lose all platform traffic directed to that domain which would adversely affect Jaxsta's performance.

The architecture, functionality and design of the Platform is unique from its competitors. Its code base and algorithms, documentation, architecture and process flow, form part of its proprietary trade secret. Jaxsta is currently working with a patent firm to identify which aspects of the Jaxsta solution are patentable. However, the name "Jaxsta" and the related logos are currently either trademarked or in the process of being trademarked.

The value of Jaxsta is, to an extent, dependent on Jaxsta's ability to protect its other intellectual property rights. If Jaxsta fails to protect its intellectual property rights adequately, competitors may gain access to its technology which would in turn harm its business.

Third parties may knowingly or unknowingly infringe on Jaxsta's intellectual property rights. Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain and vary. Effective patent, trademark, copyright and trade secret protection may not be available to Jaxsta in every country in which its products and services are available. Accordingly, despite its efforts, Jaxsta may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

Jaxsta may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether successful or not, could result in significant expense to Jaxsta and cause a distraction to management.

Unauthorised use of Jaxsta's brands in counterfeit products or services may result in potential revenue loss, and have an adverse impact on its brand value and perceptions of its product qualities.

To mitigate this risk we;

- Receive automated notifications updating Jaxsta on Domain renewals;
- Our Patent attorneys both locally and internationally keep us updated on developments and any regulatory changes within the industry and markets;
- Our attorneys both locally and internationally keep us updated on Trademark applications and regulation developments that could affect our Trademarks;
- Our team actively monitor competitors and potential competitors in the market.

(q) Contract Risk

We are party to many license agreements which are complex and impose numerous obligations upon us which may make it difficult to operate our business. A breach of such agreements could adversely affect our business, operating results, and financial condition.

Many of our license agreements are complex and impose numerous obligations on us, including obligations to:

- meet certain User and conversion targets to secure certain licenses and royalty rates;
- calculate and make payments based on our API/Data-feed royalty structure, which requires tracking usage of content by our DSP clients that may have inaccurate or incomplete metadata necessary for such calculation;
- provide periodic reports on the exploitation of the content in specified formats;
- comply with certain marketing and advertising restrictions; and
- comply with certain security and technical specifications.

Many of our license agreements grant the licensor the right to audit our compliance with the terms and conditions of such agreements. Some of our license agreements also include so-called “most favoured nations” provisions which require that certain terms (including potentially the material terms) of such agreements are no less favourable than those provided to any similarly situated licensor. If triggered, these most favoured nations provisions could cause our payments or other obligations under those agreements to escalate substantially. Additionally, some of our license agreements require consent to undertake certain business initiatives and without such consent, our ability to undertake new business initiatives may be limited. This could hurt our competitive position.

If we materially breach any of these obligations or any other obligations set forth in any of our license agreements, or if we use content in ways that are found to exceed the scope of such agreements, we could be subject to monetary penalties and our rights under such license agreements could be terminated. Either could have a material adverse effect on our business, operating results, and financial condition.

The operations of Jaxsta will require the involvement of a number of third parties, including suppliers, contractors and customers. With respect to these third parties, and despite applying best practice in terms of pre-contracting due diligence, Jaxsta is unable to completely avoid the risk of:

- (i) financial failure or default by a participant in any joint venture to which Jaxsta may become a party;
- (ii) insolvency, default on performance or delivery, or any managerial failure by any of the operators and contractors used by Jaxsta in its activities; or
- (iii) insolvency, default on performance or delivery, or any managerial failure by any other service providers used by Jaxsta or operators for any activity.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on Jaxsta's operations and performance. Whilst best practice pre-

contracting due diligence is undertaken for all third parties engaged by Jaxsta, it is not possible for Jaxsta to predict or protect itself completely against all such contract risks.

(r) Length of time to Negotiate Contracts

The nature of our industry is such that contract negotiations can take a considerable amount of time. Drafting, agreeing to terms, agreeing term sheets and then progressing to long form contracts often take from six to twelve months. During this time Jaxsta incurs mounting legal fees and the continued operating costs of the business. Some of these contracts are of crucial importance to Jaxsta and their delay could greatly affect our ability to produce compelling products.

Although these negotiations are managed with good intent we are dealing with very large organisations that have system and process protocols that extend the length of the negotiations via their internal approvals process.

Due to the nature of our industry our contracts with our partners are not exclusive. We are therefore open to other competitors.

If a significant data partner decides not to renew the term of their contract this would have the potential to impact the business.

To mitigate these risks at Jaxsta:

- we set realistic time frames around contract negotiations;
- We ensure the team responsible for a particular negotiation are ready for the receipt of a contract and can turn our comments around as quickly as possible;
- We ensure we have the best possible relationships with our data and business partners;
- We conduct continuous industry research to assess our competitors and identify new competitors.

(s) Innovation

Our business is focussed on rapid innovation and prioritises long-term User engagement over short-term financial condition or results of operations. That strategy may yield results that sometimes do not align with the market's expectations. If that happens, our stock price may be negatively affected. Our success depends on our ability to rapidly develop and launch new and innovative products. We believe we have the ability to achieve this goal. Our focus on complexity and quick reactions could result in un-intended outcomes or decisions that are poorly received by our Users, advertisers, or partners. Our company culture also prioritises our long-term User engagement over short-term financial condition or results of operations. We may make decisions that may reduce our short-term revenue or profitability if we believe that the decisions benefit the aggregate User experience and will thereby improve our financial performance over the long-term. These decisions may not produce the long-term benefits that we expect, in which case, our User growth and engagement, our relationships with advertisers and

partners, as well as our business, operating results, and financial condition could be seriously harmed.

(t) Lack of Salesforce

We do not have a direct sales force and our sales model does not include traditional, quota-carrying sales personnel. Although we believe our business model can scale without a large enterprise sales force, our viral marketing model may not be as successful as we anticipate and the absence of a direct sales function may impede our future growth. When we commence scaling our business, a sales infrastructure could assist in reaching larger enterprise customers and growing our revenue. Identifying and recruiting qualified sales personnel and training them would require significant time, expense and attention and would impact our business model. If our lack of a direct sales force limits us from reaching larger enterprise customers and growing our revenue and we are unable to hire, develop and retain talented sales personnel in the future, our revenue growth and results of operations may be harmed.

(u) Employees

Our success depends largely upon the continued services of our executive officers and key employees. We rely on our leadership team and other key employees in the areas of research and development, products, operations, security, marketing, IT, support and general and administrative functions. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. The loss of one or more of our executive officers, especially our chief executive officer, or key employees could harm our business.

In addition, in order to execute our growth plan, we need to attract and retain highly qualified personnel. Competition for these personnel is intense, especially for database engineers experienced in designing and developing such a platform as Jaxsta. We have, from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications.

Many of the companies with which we compete for experienced personnel have greater resources. Job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the value or perceived value of our equity awards declines, it may harm our ability to recruit and retain highly skilled employees.

To mitigate this risk Jaxsta:

- has put in place appropriate contracts with its employees and statement of work contracts with its key contractors which provide appropriate financial incentives to remain with the Company and assist it to perform well;
- is focussed on our company culture and our goal is to ensure we are a great company to work for. Jaxsta maintains a philosophy of holistic employee wellness, offering employee benefits that extend beyond base remuneration;

- has offered senior Management and key personnel ESOP upon passing their probationary period;
- maintains a robust recruitment process and drives a selection process based on values alignment to identify candidates who are committed to our vision;
- encourages a feedback culture, and proactively seeks feedback from key personnel to maintain high levels of engagement and connection;
- Will, as a publicly traded vehicle, provide the opportunity for all of our employees, consultants and contractors the to buy equity in the company and be a part of our overall growth;
- Maintains a pipeline of talent to ensure we are aware of potential talent to activate if required.

6.3 General risks

(a) Additional requirements for capital

The Company's ability to effectively implement its business and operations plans in the future, to take advantage of business opportunities, acquisitions, a decline in the level of license or subscription revenue for our products, or unforeseen circumstances and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds. The Company may seek to raise further funds through equity or debt financing or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of technology development. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain restrictive covenants relating to financial and operational matters, undertakings and other provisions which, if breached, may make it more difficult for us to obtain additional capital and to pursue business opportunities. The loan agreements may also entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

If we raise additional funds through further issuances of equity, convertible debt securities or other securities convertible into equity, our existing shareholders could suffer significant dilution in their percentage ownership of our company, and any new equity securities we issue could have rights, preferences and privileges senior to those of holders of our Class A ordinary shares. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to grow or support our business and to respond to business challenges could be significantly limited.

(b) Unforeseen expenditure risk

Expenditure may need to be incurred that has not been considered in the planning of the Acquisition and the Offer. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the financial performance of the Company.

(c) Management of growth

There is a risk that management of the Company will not be able to implement its growth strategy after completion of the Acquisition. The capacity of the Company's management to properly implement the strategic direction of the Group may affect the Company's financial performance.

Our future performance may decline in the future. In future periods, our revenue could grow more slowly or decline for a number of reasons, including any reduction in demand for our products, increase in competition, limited ability to, or our decision not to, increase pricing, contraction of our overall market or our failure to capitalise on growth opportunities. In the near term, we expect expenses to increase substantially, particularly as we make significant investments in system and platform development and technology infrastructure for our cloud offerings, in time expand our operations globally and develop new products and features for, and enhancements of, our existing products. Operating as a public company, Jaxsta will incur significant additional legal, accounting and other expenses that we did not incur as a private company. As a result of these significant investments, and in particular share-based compensation associated with our growth, we do not expect to achieve profitability in fiscal year 2019 and may not be able to achieve profitability in future periods.

As part of its business strategy, the Company may make acquisitions of, or significant investments in, additional complementary companies or prospects (although no such acquisitions or investments are currently planned, other than the Acquisition). Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(d) Regulatory risk

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

Various regulations as well as self-regulation related to privacy and data security concerns pose the threat of lawsuits and other liabilities. This require us to expend significant resources, and may harm our business, operating results, and financial condition.

We collect and utilize personal and other information from and about our Users as they interact with our Service. Various laws and regulations govern the collection, use, retention, sharing, and security of the data we receive from and about our Users. Privacy groups and government bodies have increasingly scrutinized the ways in which companies link personal identities and data associated with particular users or devices with data collected through the internet, and we expect such scrutiny

to continue to increase. Alleged violations of laws and regulations relating to privacy and data security, and any relevant claims, may expose us to potential liability and may require us to expend significant resources in responding to and defending such allegations and claims. Claims or allegations that we have violated laws and regulations relating to privacy and data security could in the future result in negative publicity and a loss of confidence in us by our Users and our partners. Such claims or allegations may subject us to fines, by data protection authorities and credit card companies, and could result in the loss of our ability to accept credit and debit card payments.

Existing privacy-related laws and regulations in the United States and other countries are evolving and are subject to potentially differing interpretations, and various U.S. federal and state or other international legislative and regulatory bodies may expand or enact laws regarding privacy and data security-related matters. The European Union General Data Protection Regulation ("GDPR") which came into effect on May 25, 2018. The GDPR will implement more stringent operational requirements for processors and controllers of personal data, including, expanded disclosures about how personal information is to be used, limitations on retention of information, mandatory data breach notification requirements, and higher standards for data controllers to demonstrate that they have obtained valid consent or have another legal basis in place to justify their data processing activities. The GDPR provides that EU member states may make their own additional laws and regulations in relation to certain data processing activities, which could limit our ability to use and share personal data or could require localised changes to our operating model. Under the GDPR, fines of up to €20 million or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, may be assessed for non-compliance. These new laws also could cause our costs to increase and result in further administrative costs to providing our Service.

We may find it necessary or desirable to join self-regulatory bodies or other privacy-related organisations that require compliance with their rules pertaining to privacy and data security. We may be bound by contractual obligations that limit our ability to collect, use, disclose, share, and leverage User data and to derive economic value from it. New laws, amendments to, or reinterpretations of existing laws, rules of self-regulatory bodies, industry standards, and contractual obligations, as well as changes in our Users' expectations and demands regarding privacy and data security, may limit our ability to collect, use, and disclose, and to leverage and derive economic value from User data. Restrictions on our ability to collect, access and harness User data, or to use or disclose User data or any profiles that we develop using such data, may require us to expend significant resources to adapt to these changes.

Any failure or perceived failure by us to comply with privacy or security laws, policies, legal obligations, industry standards, or any security incident that results in the unauthorized release or transfer of personal data may result in governmental enforcement actions and investigations, including fines and penalties, enforcement orders requiring us to cease processing or operate in a certain way. Litigation and/or adverse publicity, by consumer advocacy groups, could cause our customers to lose trust in us, which could have an adverse effect on our reputation and business. If the third parties we work with violate

applicable laws or contractual obligations or suffer a security breach, such violations may put us in breach of our obligations under privacy laws and regulations and/or could in turn have a material adverse effect on our business.

Increased regulation of data capture, analysis, utilisation and distribution practices, including self-regulation and industry standards, could increase our cost of operation, limit our ability to grow our operations, or otherwise adversely affect our business, operating results, and financial condition.

(e) Litigation risk

The Company is exposed to possible litigation risks including intellectual property disputes, product liability claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

We may be sued by third parties for alleged infringement or misappropriation of their proprietary rights.

There is considerable patent and other intellectual property development activity in our industry. Our future success depends in part on not infringing upon or misappropriating the intellectual property rights of others. From time to time, our competitors or other third parties may claim that we are infringing upon or misappropriating their intellectual property rights, and we may be found to be infringing upon or misappropriating such rights. We may be unaware of the intellectual property rights of others that may cover some or all of our technology, or technology that we obtain from third parties. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our products or using certain technologies, require us to implement expensive work-arounds or require that we comply with other unfavourable terms. In the case of infringement or misappropriation caused by technology that we obtain from third parties, any indemnification or other contractual protections we obtain from such third parties, if any, may be insufficient to cover the liabilities we incur as a result of such infringement or misappropriation. We may be obligated to indemnify our customers or business partners with any such litigation and to obtain licenses, modify our products or refund fees, which could further exhaust our resources. We could incur substantial costs to resolve claims or litigation, whether or not successfully asserted against us, which could include payment of significant settlement, royalty or license fees, modification of our products or refunds to customers of fees. Even if we were to prevail in the event of claims or litigation against us, any claim or litigation regarding our intellectual property could be costly and time-consuming and divert the attention of our management and other employees from our business operations and disrupt our business.

Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.

Our agreements with customers and other third parties may include indemnification or other provisions under which we agree to indemnify

or otherwise be liable to them for losses suffered or incurred as a result of claims of intellectual property infringement, damages caused by us to property or persons, or other liabilities relating to or arising from our products or other acts or omissions. The term of these contractual provisions often survives termination or expiration of the applicable agreement. Large indemnity payments or damage claims from contractual breach could harm our business, results of operations and financial condition. Although we normally contractually limit our liability with respect to such obligations, we may still incur substantial liability related to them. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other current and prospective customers, reduce demand for our products, and harm our business, results of operations and financial condition.

Neither the Company nor Jaxsta is currently engaged in any litigation.

(f) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic and political outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of capital; and
- (vi) terrorism or other hostilities.

Consumer purchases of discretionary items generally decline during recessionary periods and other periods in which disposable income is adversely affected. To the extent that overall economic conditions reduce spending on discretionary activities, our ability to retain and obtain new Jaxsta Pro Subscribers could be hindered, which could reduce our subscription revenue and negatively impact our business.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular.

(g) Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

While we intend to sell our products exclusively in U.S. dollars, we may incur expenses in currencies other than the U.S. dollar, which exposes us to foreign currency exchange rate fluctuations. A large percentage of our expenses are denominated in the Australian dollar and due to the Australian dollar's recent weakening position relative to the U.S. dollar, our results of operations may be positively impacted by foreign currency

rate fluctuations in future periods. However, this may not continue, and future fluctuations could negatively impact our results of operations. In the future, we may transact in non-U.S. dollar currencies for our products, and, accordingly, future changes in the value of non-U.S. dollar currencies relative to the U.S. dollar could affect our revenue and results of operations due to transactional and translational re-measurements that are reflected in our results of operations.

Share market conditions may affect the value of the Company's securities regardless of the Company's operating performance.

(h) Technology Sector Risks

The technology sector is characterised by rapid change. New and disruptive technologies can place competitive pressures on existing companies and business models, and technology stocks may experience greater price volatility than securities in some slower changing market sectors.

The value of the Company's securities may be adversely affected by any general decline in the valuation of listed securities and/or adverse market sentiment towards the technology sector in particular, regardless of the Company's operating performance.

The market price may fluctuate including:

- actual or anticipated fluctuations in our results of operations;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates or ratings changes by any securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;
- changes in our or our competitors' pricing policies and offerings;
- changes in operating performance and stock market valuations of other technology companies, or those in our industry;
- price and volume fluctuations in the overall stock market from time to time;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- announced or completed acquisitions of businesses or technologies by us or our competitors;

- developments or disputes concerning our intellectual property or our products, or third-party proprietary rights;
- new laws or regulations, new interpretations of existing laws, or the new application of existing regulations to our business;
- any major change in our board of directors or management;
- additional Class A ordinary shares being sold into the market by us or our existing shareholders or the anticipation of such sales;
- changes in operating performance and stock market valuations of technology companies in our industry;
- lawsuits threatened or filed against us;
- the amount and timing of operating costs and capital expenditures related to the operations and expansion of our business;
- significant security breaches, technical difficulties or interruptions to our products;
- the number of new employees added;
- the amount and timing of acquisitions or other strategic transactions;
- general economic conditions that may adversely affect either our customers' ability or willingness to purchase additional licenses, subscriptions and maintenance plans, delay a prospective customer's purchasing decision, reduce the value of new license, subscription or maintenance plans or affect customer retention;
- and other events or factors, including those resulting from war, incidents of terrorism, or responses to these events.

The stock markets, and in particular the market on which our ordinary shares will be listed, have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, shareholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from operating our business, and harm our business, results of operations and financial condition.

Many of these factors are outside of our control, and the occurrence of one or more of them might cause our revenue, results of operations and cash flows to vary widely. As such, we believe that quarter-to-quarter comparisons of our revenue, results of operations and cash flows may not be meaningful and should not be relied upon as an indication of future performance.

(i) Risk of high volume of Share sales

If Settlement occurs, the Company will have issued a significant number of new Securities to various parties. Some of the Jaxsta Shareholders and others that receive Shares as a result of the Acquisition or the Capital Raising may not intend to continue to hold those Shares and may wish to sell them on ASX (subject to any applicable escrow period). There is a risk that an increase in the amount of people wanting to sell Shares may adversely impact on the market price of the Company's Shares.

There can be no assurance that there will be, or continue to be, an active market for Shares or that the price of Shares will increase. As a result, Shareholders may, upon selling their Shares, receive a market price for their securities that is less than the price of Shares offered pursuant to the Capital Raising.

(j) Trading price of Shares

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to:

- general economic conditions including the performance of the Australian dollar on world markets;
- inflation rates, foreign exchange rates and interest rates;
- variations in the general market for listed stocks in general;
- changes to government policy, legislation or regulation and industrial disputes;
- general operational and business risks;
- hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(k) Requirements of being a Public Company

As a public company, we will be subject to the reporting requirements of ASIC and the ASX, the listing requirements of the exchange upon which our shares are listed and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming, or costly and increase demand on our systems and resources. The Corporations Act requires that we file annual reports with respect to our business and results of operations. The Corporations Act requires that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to

maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. We will be required to disclose changes made in our internal control and procedures on a quarterly basis and to furnish a report by management on, the effectiveness of our internal control over financial reporting for the first fiscal year beginning after the effective date of this offering. However, our independent registered public accounting firm will not be required to formally audit and attest to the effectiveness of our internal control over financial reporting until later in the financial year following our first annual report required to be filed with the ASX for November. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could harm our business, results of operations and financial condition. In addition, the pressures of operating a public company may divert management's attention to delivering short-term results, instead of focusing on long-term strategy.

Being a public company will be more expensive to maintain adequate director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors and qualified executive officers.

(I) Force Majeure

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy. In the event of a major or catastrophic event such as fire, power loss, telecommunications failure, cyber-attack, war or terrorist attack, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our application development, lengthy interruptions in our products, breaches of data security and loss of critical data, all of which could harm our business, results of operations and financial condition.

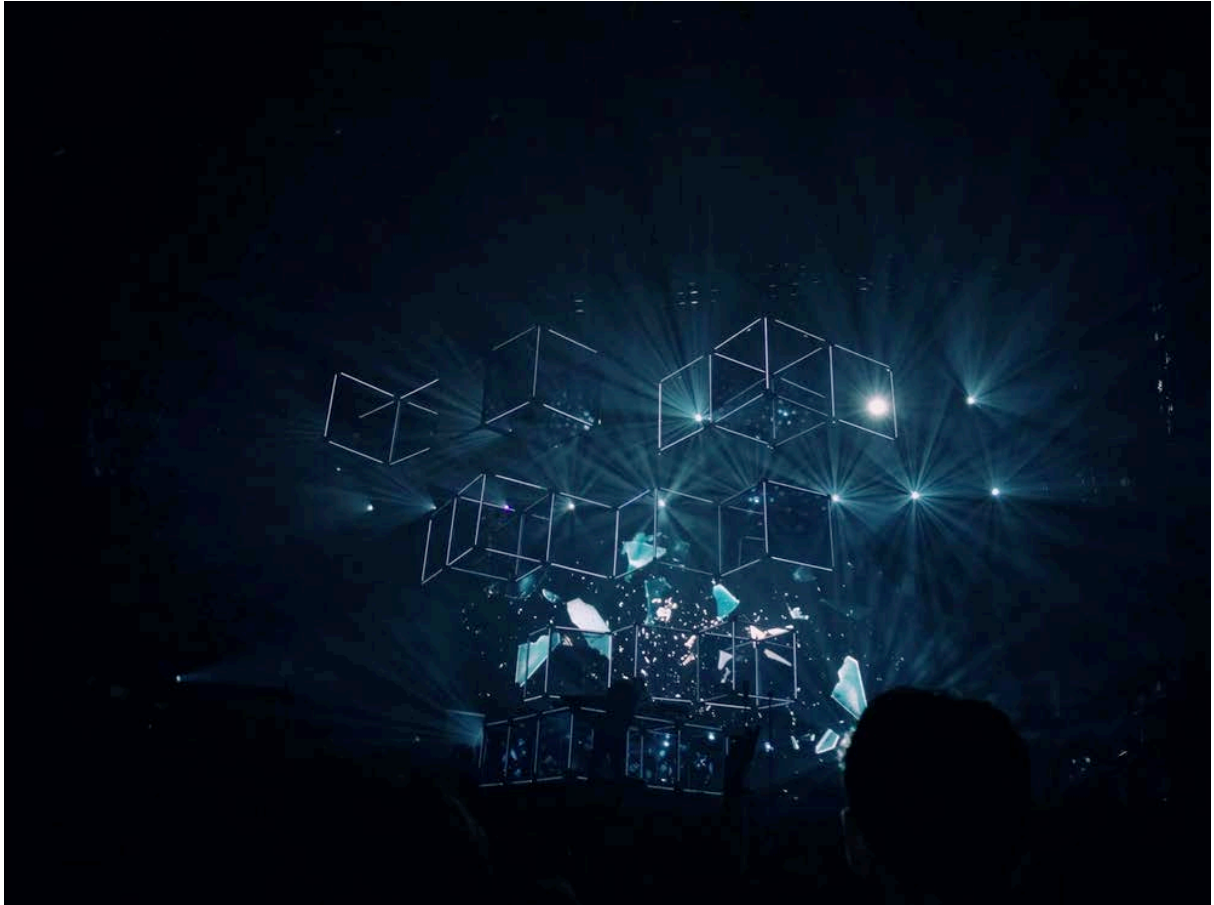
Additionally, we rely on our network and third-party infrastructure and applications, internal technology systems, and our website for our development, marketing, operational support, hosted services and sales activities. If these systems were to fail or be negatively impacted as a result of a natural disaster or other event, our ability to deliver products to our customers would be impaired.

As we grow our business, the need for business continuity planning and disaster recovery plans will grow in significance. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a disaster, and successfully execute on those plans in the event of a disaster or emergency, our business and reputation would be harmed.

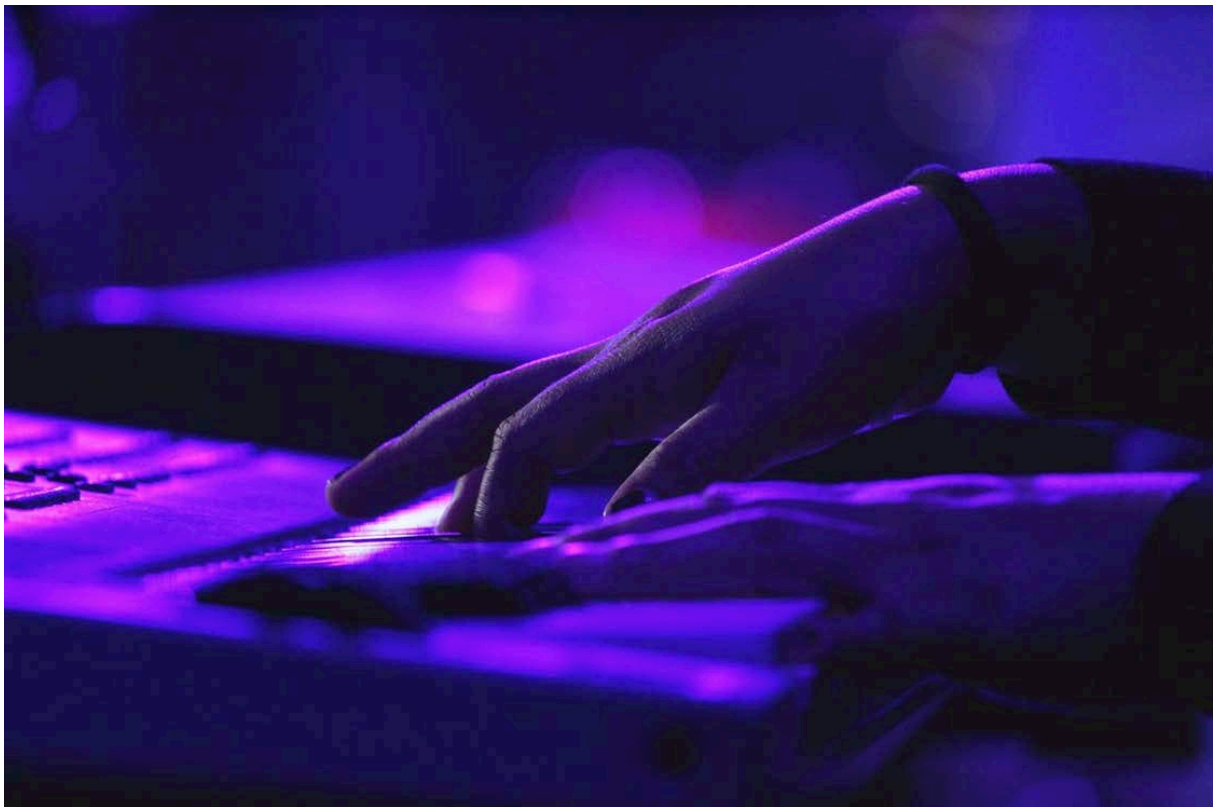
6.4 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the

financial performance of the Company and the value of the Company's securities.



7. INVESTIGATING ACCOUNTANT'S REPORT



6 September 2018

The Directors
Mobilarm Limited
2/3 Roberts Street
Osborne Park WA 6916

Dear Sirs

Investigating Accountant's Report

1. Introduction

The directors of Mobilarm Limited ("**Mobilarm**") have requested Greenwich & Co Audit Pty Ltd ("**Greenwich & Co**") to prepare an Investigating Accountant's Report ("**Report**") for inclusion in a prospectus dated on or around 7 September 2018 ("**Prospectus**"), relating to, among other things:

- Entering into a binding agreement to dispose of its 100% interest in its main subsidiary Marine Rescue Technologies Ltd ("**MRT**") for a total consideration of \$6,000,000 with \$1,000,000 being payable on completion, the remaining \$5,000,000 being payable as follows: \$1,000,000 on the 1st anniversary of the date of completion and the remaining \$4,000,000 on the 2nd anniversary of completion.
- Entering into an agreement to purchase the remaining 80% of the share capital of Jaxsta Holdings Pty Ltd, not already owned by Mobilarm, with the consideration for the acquisition being the issue of a maximum of 115,420,126 fully paid shares in the company, plus the issue of 2,000,000 fully paid shares in the company to settle shareholder loans currently owed by Jaxsta and 408,000 fully paid ordinary shares in the company to the Jaxsta Warrant Holders.

Further details of the above and associated transactions are listed in Note 2 of Appendix 1 to this Report. All amounts stated in this report are in Australian Dollars unless otherwise indicated. All the terms used in this Report have the same meaning as the terms used and defined in the Prospectus unless otherwise defined in this Report.

2. Scope

Greenwich & Co has been engaged by the Directors of Mobilarm to review the following ("**Financial Information**"):

- Historical Statement of Financial Position of Mobilarm as at 31 December 2017 and Historical Statement of Profit or Loss and Other Comprehensive Income of Mobilarm for the period then ended ("**the Mobilarm Historical Financial Information**");
- Pro-forma Statement of Financial Position of Mobilarm following the various transactions as set out above ("**Pro-Forma Financial Information**").

The Mobilarm Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and Mobilarm's adopted accounting policies. The Pro-Forma Financial Information has been derived from the Historical Financial Information referred to above, after adjusting for transactions and assumptions, including significant transactions subsequent to 31 December 2017, as if they had occurred at 31 December 2017. These transactions and assumptions are detailed in Note 2 of Appendix 1. Due to its nature, the Pro-Forma Financial Information does not represent Mobilarm's actual or prospective financial position or financial performance.

The Mobilarm Historical Financial Information and Pro-Forma Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

The Mobilarm Historical Financial Information is based on the Financial Statements of Mobilarm for the period ended 6 December 2017 that were reviewed by Walker Wayland Audit (WA) Pty Ltd who issued an unqualified opinion on them. The audit report contained an emphasis of matter relating to the use of the going concern basis of preparation in the financial statements.

This Report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. We have not been requested to consider the prospects for Mobilarm, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, have not done so, nor do we purport to do so. We accordingly, take no responsibility for those matters or any other matter or omission in the Prospectus, other than the responsibility for this Report. The risk factors are set out in Section 4 of the Prospectus.

3. Background

The Company was admitted to the official list of the ASX on 21 September 2010 (ASX Code: MBO).

The principal activities of the Company relate to the research and development, manufacture, service and sale or rental of Man Overboard Safety Systems.

The Company is currently in the process of disposing of its major subsidiary Marine Rescue Technology ("MRT") and acquiring Jaxsta Holdings Pty Ltd. Jaxsta principal activity is the music database platforms.

4. Responsibility for the Financial Information

The directors of Mobilarm are responsible for the preparation and presentation of the Mobilarm Historical Financial Information and the Pro-Forma Financial Information, including the selection and determination of the Pro-Forma adjustments. They are also responsible for all assumptions, judgements and estimates, used in the Historical Financial Information and included in the Pro-Forma Financial Information.

This responsibility includes establishing and maintaining internal control relevant to the preparation of the Historical and Pro-Forma Financial Information that is free from material misstatement which is due to fraud and error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors of Mobilarm are also responsible for all information contained within the Prospectus.

5. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our review engagement in accordance with Australian Standard on Assurance Engagements (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

In connection with the review, we made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit report. For the purposes of this Report, we have not performed an audit and accordingly do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the Financial Information.

6. Conclusion

The Mobilarm Historical Financial Information

Conclusion

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe that the Mobilarm Historical Financial Information, as shown in abbreviated form in Appendix 1 to this Report, and comprising:

- The Statement of Profit or Loss and Other Comprehensive Income of Mobilarm for the period ended 31 December 2017; and
- The Statement of Financial Position of Mobilarm as at 31 December 2017;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Note 3 of Appendix 1.

Pro-Forma Financial Information

Conclusion

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe that the Pro-forma Financial Information, comprising the Pro-Forma Statement of Financial Position of Mobilarm as at 31 December 2017 is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Notes 2 and 3 of Appendix 1.

Emphasis of matter

Without qualifying our conclusion, we draw attention to Note 3 of Appendix 1, which indicates that the going concern basis is dependent upon the pro-forma transactions and assumptions as set out in Note 2 of Appendix 1 occurring. These conditions indicate the existence of material uncertainty that may cast significant doubt about Mobilarm's ability to continue as a going concern if the pro-forma transactions and assumptions do not occur as set out in Note 2 of Appendix 1 and therefore were the pro-forma transactions and assumptions not to occur, Mobilarm may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the Financial Information.

7. Subsequent Events

Apart from the matters dealt with in this Report, including transactions and events listed in Note 2 of Appendix 1 to this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, there have been no other material items, transactions, or events outside the normal course of business, subsequent to 31 December 2017, that have come to our attention during the course of our engagement that would require comment on, or adjustment to, the information referred to in our Report, or that would cause such information to be misleading or deceptive.

8. Declaration

Greenwich & Co are responsible for this Report.

The Historical Financial Information presented in Appendix 1 has been prepared by the directors of Mobilarm and is their responsibility. The Pro-Forma Financial Information has been prepared by the directors of Mobilarm and is their responsibility. This report is strictly limited to the matters contained herein and is not to be read as extending by implication or otherwise to any other matter.

Greenwich & Co do not have any interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in relation to this matter. Greenwich & Co is not the auditor of Mobilarm, the review of the financial statements for the 6 months ended 31 December 2017 was carried out by Walker Wayland Audit (WA) Pty Ltd . Except for fees relating to this Report and, from fees relating to the preparation of an Independent Experts Report, which are based on normal commercial terms, Greenwich & Co does not have any interest in Mobilarm or in the

outcome of the Offer. Greenwich & Co have not made, and will not make, any recommendation through the issue of this Report to potential investors of Mobilarm as to the merit of the investment.

Greenwich & Co were not involved in the preparation of any part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Consent for the inclusion of this Report in the Prospectus in the form and context in which it appears has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully

A handwritten signature in black ink that reads "Nicholas Hollens." The signature is written in a cursive style with a large initial 'N'.

Nicholas Hollens
Director
Greenwich & Co Audit Pty Ltd
Level 2, 35 Outram Street
West Perth WA 6005

Date: 6 September 2018

Appendix 1

1. Historical and Pro-Forma Financial Information

1a. Mobilarm Historical and Pro-Forma Statement of Financial Position as at 31 December 2017

		Mobilarm As at 31 December 2017 (reviewed)	Pro-Forma adjustments (Sale of MRT) as at 31 December 2017	Pro-Forma adjustments – Acquisition of Jaxsta Pty Ltd 31 December 2017	Pro-Forma – Min Subscription as at 31 December 2017	Pro-Forma – Max Subscription as at 31 December 2017
Current Assets	Note		\$	\$		
Cash and cash equivalents	4	381,532	643,394	7,919,678	8,944,604	10,824,604
Trade & other receivables		779,313	(779,313)	18,007	18,007	18,007
Inventories		1,897,252	(1,897,252)	-	-	-
Other current assets		1,539,250	(82,201)	(711,282)	745,767	745,767
Deferred consideration		-	1,000,000	-	1,000,000	1,000,000
Total Current Assets		4,597,347	(1,115,373)	7,226,403	10,708,378	12,588,378
Non-Current Assets						
Plant and equipment	5	776,643	(776,643)	478,401	478,401	478,401
Intangible assets and goodwill		2,334,958	(2,363,671)	25,836,877	25,808,164	25,808,164
Investment in other businesses		1,500,000	-	(1,500,000)	-	-
Deferred consideration		-	4,000,000	-	4,000,000	4,000,000
Total Non-Current Assets		4,611,601	859,686	24,815,278	31,286,565	31,286,565
Total Assets		9,208,948	(255,686)	32,041,681	40,994,943	42,874,943
Current Liabilities						
Trade and other payables		1,282,062	(987,407)	586,869	881,525	881,525
Interest bearing loans and borrowings		3,907,703	-	(2,447,945)	1,459,758	1,459,758
Provisions		93,128	(59,661)	100,000	133,467	133,467
Total Current Liabilities		5,282,893	(1,047,067)	(1,761,076)	2,474,750	2,474,750
Non-Current Liabilities						
Provisions		53,212	(18,380)	-	34,832	34,832
Interest bearing loans		-	778	280,680	281,458	281,458
Total Non Current Liabilities		53,212	(17,602)	280,680	316,290	316,290
Total Liabilities		5,336,105	(1,064,669)	(1,480,396)	2,791,040	2,791,040
Net Assets		3,872,843	808,983	33,522,077	38,203,903	40,083,903
Contributed equity	6	30,601,809	4,542,294	37,309,843	72,453,946	74,333,946
Accumulated losses		(28,385,380)	(4,219,636)	(3,787,766)	(36,392,782)	(36,392,782)
Reserves		1,656,414	486,325	-	2,142,739	2,142,739
Total Equity		3,872,843	808,983	33,522,077	38,203,903	40,083,903

The above statement should be read in accordance with the accompanying notes.

Mobilarm Historical Statement of Profit or Loss and Other Comprehensive Income for the Period Ended 31 December 2017

	MBO	Sale of MRT	Acquisition of Jaxsta	Performa JXT Min	Performa JXT Max
Sale of goods	1,378,732	1,378,732	-	-	-
Rentals recognised as revenue	663,897	663,897	-	-	-
Total Revenue	2,042,629	2,042,629	-	-	-
Costs of sales	(430,549)	(430,549)	-	-	-
Depreciation of units under rental	117,995	(117,995)	-	-	-
Interest income	535	(535)	-	-	-
Grant income	-	-	583,652	583,652	583,652
Operating Expenses	2,139,309	(2,139,309)	1,494,147	1,494,147	1,494,147
Profit/(Loss) before income tax	644,689	(644,689)	910,495	910,495	910,495
Income tax expenses/(benefit)	-	-	-	-	-
Loss from operations after income tax	644,689	(644,689)	910,495	910,495	910,495
Other comprehensive income	-	-	-	-	-
Foreign currency translation reserve movement	49,679	49,679	-	-	-
Total comprehensive loss for the period	595,010	595,010	910,495	910,495	910,495

2. Pro-Forma Transactions and Assumptions

Pro-forma assumptions and transactions:

- a) As outlined in sections 9.4 of the Prospectus , entering into a binding agreement to dispose of the company's main subsidiary MRT for total consideration of \$6,000,000. The consideration is payable as follows: \$1,000,000 on completion of the Sale and Purchase Agreement, \$1,000,000 on the first anniversary of the date of completion and the remaining \$4,000,000 on the 2nd anniversary of completion.
- b) As outlined in sections 4.1 and 4.16 of the Prospectus, an offer of 106,991,795, 2,000,000 and 408,000 fully paid Shares at an issue price of \$0.20 per Share to acquire the remaining 80% of the issued share capital of Jaxsta Holdings Pty Ltd. The consideration of 106,991,795 was within the maximum number of share of 115,420,126 agreed to within the parties.
- c) The issue of a minimum of 25,000,000 and a maximum of up to 35,000,000 placement shares at an issue price of \$0.20 per share to raise a minimum of \$5,000,000 and a maximum of \$7,000,000.

3. Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of the Financial Information are summarised below.

Basis of Reporting

The Financial Information has been prepared in accordance with the *Corporations Act 2001* and recognition and measurement requirements (but not all disclosure requirements) of Australian Accounting Standards and Australian Accounting Interpretations adopted by the Australian Accounting Standards Board. The Financial Information covers Mobilarm Limited, a public company, incorporated and domiciled in Australia ("Mobilarm"). The Financial Information is presented in Australian dollars. The Financial Information has been prepared on an accrual basis and is based on historical costs. Cost is based on the fair value of the consideration given in exchange for assets.

Going concern

The Financial Information has been prepared on the going concern basis. Mobilarm incurred a loss for the 6 months ended 31 December 2017 of \$644,680 (12 months to 30 June 2017 \$930,057). Significant transactions that have occurred since 31 December 2017 are outlined at Note 2. The going concern basis is dependent upon the pro-forma transactions and assumptions outlined above in Note 2 occurring or Mobilarm raising additional capital to pay its debts as and when they fall due. In the Directors' opinion these events will be achieved and therefore Mobilarm will be able to continue as a going concern and therefore realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the Financial Information.

Should Mobilarm be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those in the Financial Information. The Financial Information does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should Mobilarm not continue as a going concern.

Significant accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting Financial Information satisfies the concepts of relevance and reliability, and that the substance of underlying transactions and other events is reported. The following significant accounting policies have been adopted in the preparation and presentation of the Financial Information:

Accounting Policies

(a) Income tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses, if any in fact are brought to account.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Information. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the way management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(c) Impairment of Assets

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use. For other assets, at each reporting date, Mobilarm review the carrying values of their tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

(d) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amounts of plant and equipment are reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

(e) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when Mobilarm becomes party to the contractual provisions to the instrument.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit and loss, in which case transaction costs are expensed to profit and loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

the amount at which the financial asset or financial liability is measured at initial recognition;

less principal repayments;

plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit and loss.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(f) Provisions

Provisions are recognised when Mobilarm have a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

(g) Contributed Equity

Ordinary share capital is recognised at the fair value of the consideration received by Mobilarm. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(h) Share based payments

The fair value of options granted is recognised as an expense with a corresponding increase in equity, unless the options are costs of capital in which case the options granted are recognised in equity only. The fair value of shares or performance rights is ascertained as the market bid price. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The number of shares and options expected to vest is reviewed and adjusted at each reporting date (except where the change in expectation relates to market conditions) such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(i) Accounting estimates and judgements

Impairment

Mobilarm assess whether there are indications of impairment at each reporting date. Where an impairment indicator exists, the recoverable amount of the asset is determined. Calculations performed in assessing recoverable amounts incorporate a number of estimates.

Share based payments

Share based payments in the form of options are valued using pricing models. Models use assumptions and estimates as inputs.

4. Cash and cash equivalents

	Note	Min subscription \$	Max subscription \$
Balance of cash and cash equivalents at 31 December 2017		381,532	381,532
Add Subsequent events:			
- Sale of MRT	2.a)	1,000,000	1,000,000
- MRT cash at 31 December 2017		(356,606)	(356,606)
- Jaxsta cash at 31 December 2017		3,663	3,663
- Jaxsta Pre IPO raise		3,466,015	3,466,015
Add Pro-Forma adjustments:			
- Offer	2.c)	5,000,000	7,000,000
- Costs of the offer		(550,000)	(670,000)
Pro-Forma balance of cash and cash equivalents		8,944,604	10,824,604

5. Intangible Assets and Goodwill

	Note	\$
Balance of Intangible assets and Goodwill at 31 December 2017		2,334,958
Adjust Subsequent events:		
- Disposal of MRT Goodwill	2.a)	(2,363,671)
- Jaxsta Intangible at 31 December 2017		4,235,515
Add Pro-Forma adjustment:		
- Acquisition of Jaxsta *		19,351,362
- Elimination of investment in Jaxsta		2,250,000
Pro-Forma balance of Intangible Assets and Goodwill		25,808,164

* Purchase price of Jaxsta	21,398,359
Wet assets at date of acquisition	(2,046,997)
	<u>19,351,362</u>

6. Contributed equity

	Note	Min Subscription Number of Shares	Min Subscription \$	Max Subscription Number of Shares	Max Subscription \$
Balance of contributed equity at 31 December 2017		493,119,559	30,601,809	493,119,559	30,601,809
Add Subsequent event:					
- Conversion of Performance Share Rights		5,000,000	-	5,000,000	-
- Share consolidation 1 for 10		(448,307,453)	-	(448,307,453)	-
		49,812,106	30,601,809	49,812,106	30,601,809
- Performance shares		550,000	-	550,000	-
- Conversion of loan		32,000,000	-	32,000,000	-
Shares on issue at pre-acquisition		82,362,106	30,601,809	82,362,106	30,601,809
Shares issued re acquisition of Jaxsta Limited		109,399,795	32,859,844	109,399,795	32,859,844
Disposal of Marine Rescue Technologies Ltd		-	4,542,293	-	4,542,293
Add Pro-Forma adjustments:					
- Offer	2.c)	25,000,000	5,000,000	35,000,000	7,000,000
- Costs of the offer		-	(550,000)	-	(670,000)
Pro-Forma balance of contributed equity at 31 December 2017 ***		216,761,901	72,453,946	226,761,901	74,333,946

7. Reserves

	Note	\$
Balance of reserves at 31 December 2017		1,656,414
Add Subsequent events:		
- Sale of Mobilarm		486,325
Pro-Forma balance of reserves		2,142,739

8. Commitments

As outlined in Sections 9.2 of the Prospectus, Jaxsta has entered into a Metadata and Artwork Agreement with Sony Music Entertainment under which Jaxsta pays a fixed fee to Sony Music Entertainment.

9. Post balance date events

No matters or circumstances have arisen since 31 December 2017 which significantly affect the state of affairs of Mobilarm, other than the matters outlined above and those disclosed in the Prospectus.

10. Related party transactions

Related parties and related party transactions are outlined in Section 4.17 and 5.3 of the Prospectus.

8. CORPORATE GOVERNANCE

8.1 ASX Corporate Governance Council Principles and Recommendations

Our Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, commensurate with the Company's size and nature, Mobilarm has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the Recommendations.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and further details on Mobilarm's corporate governance procedures, policies and practices can be obtained from the Company website at www.mobilarm.com.

8.2 Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

In light of the Company's size and nature, the Board considers that the proposed board is a cost effective and practical method of directing and managing the Company. If the Company's activities develop in size, nature and scope, the size

of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

8.3 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

Following Settlement, the Board is proposed to consist of 4 members. The Company has adopted a Nominations Committee Charter, but has not formally adopted a Nominations and Remuneration Committee. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of a Nomination and Remuneration Committee. The responsibilities of a Nomination and Remuneration Committee are currently carried out by the Board.

Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next general meeting and is then eligible for re-election by the Shareholders.

8.4 Identification and management of risk

The Board will establish a risk management committee which will be responsible for overseeing the risk management function. The risk management committee will be responsible for ensuring the risks and opportunities are identified on a timely basis. To achieve this, the risk management committee will implement a risk system which allows for the monthly monitoring of identified risk areas and performance against the activities to minimise or control these identified risks.

8.5 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

8.6 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

8.7 Remuneration arrangements

The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions

by each Non-Executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

8.8 Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Managing Director). The policy generally provides that written notification to the Chairman (or in the case of the Chairman, the Managing Director) must be satisfied prior to trading.

8.9 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

8.10 Audit committee

The Company has an audit committee which fulfils the Company's corporate governance and monitoring responsibilities in relation to the Company's risks associated with the integrity of the financial reporting, internal control systems and the independence of the external audit function.

8.11 Diversity Policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

8.12 Departures from Recommendations

Following re-admission to the Official List of ASX, Jaxsta will be required to report any departures from the Recommendations in its annual financial report.

9. MATERIAL CONTRACTS

9.1 Acquisition Agreement

The key terms of the Acquisition Agreement to effect the acquisition of 100% of the issued capital of Jaxsta that the Company does not already hold (**Acquisition**) are as follows:

- (a) **Conditions Precedent:** The Acquisition is conditional upon the satisfaction of the following outstanding conditions:
- (i) receipt by Mobilarm of all Jaxsta Shareholder and regulatory approvals to carry out the Acquisition and the Mobilarm consolidation, including without limitation approval of shareholders under all relevant ASX Listing Rules and the Corporations Act 2001 (Cth) and completion of the Consolidation;
 - (ii) Mobilarm having completed a minimum \$5 million capital raising at a price of at least \$0.20 per Mobilarm Share (**Capital Raising**);
 - (iii) conversion of all existing convertible notes in Mobilarm at a conversion price of \$0.125 per note;
 - (iv) each Jaxsta shareholder providing Mobilarm with adequate evidence that the Mobilarm Shares to be issued to it can be issued without preparing a disclosure document;
 - (v) subsequent to the suspension of quotation of Mobilarm's shares on ASX as a consequence of the Acquisition, ASX providing conditional approval to the reinstatement of quotation of Mobilarm's shares, on terms acceptable to Mobilarm and Jaxsta;
 - (vi) Jaxsta employees holding share options agreeing to sell, cancel or otherwise dispose of those share options (on terms reasonably acceptable to the Company) in consideration for new share options under a comparable employee incentive plan of the Company;
 - (vii) the Jaxsta employees being offered the chance to enter into new employment agreements with Mobilarm on overall terms no less favourable than their current terms; and
 - (viii) all Jaxsta Shareholders agreeing to any escrow provisions required by ASX and any underwriter or lead manager for the Capital Raising.

(together, the **Conditions Precedent**).

Sub-clauses (i), (iv), (v) and (viii) cannot be waived. The parties must co-operate with each other and do all things reasonably practicable to procure that the Conditions Precedent are fulfilled as soon as reasonably practicable and in any event not later than midnight on 30 November 2018 (or any later date agreed by the Company and Jaxsta).

- (b) **Consideration:** Subject to satisfaction or waiver of conditions precedent to the Acquisition (summarised above), as consideration for the Acquisition of all of Jaxsta's securities not currently held by the Company, the Company has agreed to issue upon completion of the Acquisition:
 - (i) an aggregate of up to 115,420,126 fully paid ordinary shares (**Shares**) in the capital of the Company (**Consideration Shares**) (which is based on the round 1 and round 2 pre-completion capital raisings to be conducted by Jaxsta) to Jaxsta's existing shareholders, on a post-consolidation, in the proportions set out in the Acquisition Agreement; and
 - (ii) the Jaxsta Warrant Holder will sell all of its Jaxsta warrants as set out in the Acquisition Agreement free from all encumbrances and the Company will buy the Jaxsta warrants in consideration for 408,000 Shares.
- (c) **Shareholder Loan:** At settlement, Mobilarm agrees to issue the Founder Vendors the Shareholder Loan Repayment Shares in full and final satisfaction of the Shareholder Loan Amount.
- (d) **Board composition:** At completion of the Acquisition, Ken Gaunt and Sir Tim McClement will resign and Jacqueline Louez Schoorl will be appointed as a executive director the Company (and each subsidiary of the Company) and Launa Inman will be appointed Non-Executive Chairperson, Linda Jenkinson as a Non-Executive Director and Brett Cottle as a Non-Executive Director. Jorge Nigaglioni will remain as a director until the new directors are in their positions at which point he will resign from the board and David McArthur will step down as company secretary as Sydney based Company Matters will step into the company secretary position.
- (e) **Change of name:** Following successful completion of the Acquisition, the Company proposes to change its name to "Jaxsta Ltd".

The agreement otherwise contains terms and conditions which are typical for an agreement of its nature.

9.2 Commercial Data Access Agreements

Jaxsta enters into Commercial Data Access Agreements (**CDAA**) with third party Data Partners for the supply and license of content and metadata which is used by Jaxsta in its platform. In the 13 months preceding the date of this Prospectus, Jaxsta has entered into 22 Commercial Data Access Agreements, most of which are on the same or similar terms (**Standard CDAA**).

9.2.1 Standard Commercial Data Access Agreement

Under the terms of the Standard CDAA, Jaxsta is licensed and authorised to ingest, publicly display and use Supplied Data in, and in connection with, the Jaxsta platform worldwide during the term of the relevant agreement. In consideration for the supply of the Partner Content and / or Supplied Data, Jaxsta is required to pay royalties to the third party Data Partners in accordance with the terms of the Standard CDAA.

(a) Term and termination

There is an initial fixed term for the Standard CDAA's of two years, which is automatically extended by a further 12 months (on a rolling basis) where either party does not provide notice 60 days prior to the end of the relevant contract period. Either party also has the right to immediately terminate the agreement in the event of specified default and insolvency events.

(b) Indemnification

Each party agrees to indemnify and hold each other harmless for any loss suffered in connection with the Standard CDAA. Jaxsta's liability is limited to any revenue which is actually generated by the Jaxsta platform.

9.2.2 Commercial Data Access Agreement with the National Academy of Recording Arts & Sciences

Jaxsta has entered into a CDAA with the National Academy of Recording Arts & Sciences, Inc. dated 18 July 2017. The terms of this agreement are similar to those of the Standard CDAA. In consideration for the supply of Partner Content and / or Supplied Data, Jaxsta pays a set annual fee as well as a royalty.

(a) Term and termination

The initial term of the agreement will expire on 18 July 2019 and will be automatically extended by an additional two, one year periods where either party does not provide notice, 60 days before the end of the relevant contract period. Each party also has the right to immediately terminate the agreement in the event of specified default and insolvency events. The National Academy of Recording Arts & Sciences may also terminate where Jaxsta fails to launch a commercial service within 180 days of the effective date of the agreement.

The initial term expires in less than 12 months. The expectation is the agreement will be renewed due to Jaxsta's ongoing and collaborative business relationship. However renewal cannot be assured by Jaxsta and the implications if the contract cannot be renewed is to reduce the overall product offering.

(b) Indemnification

Each party agrees to indemnify and hold each other harmless for any loss suffered in connection with the CDAA.

9.2.3 Metadata and Artwork Agreement with Sony Music Entertainment and The Orchard

In addition to the CDAA's above, Jaxsta has entered into a Metadata and Artwork Agreement with Sony Music Entertainment and The Orchard dated 1st September 2018 (**Sony MAA**) providing Jaxsta with a license and authorisation to Sony Music Entertainment and The Orchard data for use in Jaxsta's platform worldwide (excluding Japan) during the term. In consideration for the rights granted to Jaxsta under to Sony CDAA, Jaxsta pays a fixed fee to Sony Music Entertainment.

(a) **Term and termination**

The initial term of the agreement expires on 1st September 2019 and will automatically renew for a further 12 months where Sony Music Entertainment does not provide notice at least 30 days before the expiry date. Either party also has the right to immediately terminate the agreement in the event of specified default and insolvency events.

The initial term expires in less than 12 months. The expectation is the agreement will be renewed due to the mutually beneficial, collaborative and long-standing business relationship of the parties. Renewal of the agreement cannot be assured by Jaxsta and the implications if the contract cannot be renewed is to significantly reduce the overall product viability.

(b) **Indemnity**

Each party has agreed to indemnify and hold each other harmless for any loss suffered in connection with the Sony MAA in certain circumstances, and these liabilities have not been capped.

9.3 Lead Manager Mandate

On or about 30 August 2018, the Company entered into a lead manager mandate with Bell Potter Securities Limited pursuant to which Bell Potter agreed to act as the Lead Manager of the Offer.

The Company will pay Bell Potter the following fees for these services:

- (a) a 3% management fee on all funds raised under the Offer;
- (b) a 3% selling fee on all funds raised under the Offer; and
- (c) issue to Bell Potter or its nominee up to 3,000,000 Options, on the terms and conditions set out in Section 10.4 below.
- (d) In relation to the Options issuable, the Company will issue the Options as follows:
 - (i) Where between \$5,000,000 and \$6,000,000 is raised under the Offer – 1,000,000 Options to Bell Potter;
 - (ii) Where between \$6,000,000 and \$7,000,000 is raised under the Offer – 2,000,000 Options to Bell Potter; and
 - (iii) Where the full \$7,000,000 is raised under the Offer – 3,000,000 Options to Bell Potter.

The lead manager mandate otherwise contains terms and conditions considered standard for an engagement of this nature, including confirmations as to the due diligence undertaken by the Company, indemnities from the Company and provisions for representations and warranties from the Company and confidentiality provisions.

9.4 Sale Agreement – MRT Business

On 1 February 2018 the Company announced to ASX that it had entered into a binding heads of agreement (**Disposal Agreement**) for the disposal of its

subsidiary Marine Rescue Technologies Ltd (**Subsidiary**) which operates the design and manufacture of man overboard technology in Europe, being its main undertaking, to Secure2Go Group Ltd or its subsidiaries or nominees (**Secure2Go** or the **Buyer**) (**Disposal**).

The material terms of the Disposal Agreement are as follows:

- (a) **Disposal:** Secure2Go (or one of its wholly owned subsidiaries or nominees) is to acquire all of the issued capital and other securities (if any) issued in MRT which is owned 100% by the Company.
- (b) **Share Purchase Agreement:** the parties have agreed to use best endeavours to negotiate a share purchase agreement (**SPA**) and other definitive documents in a manner consistent in all material respects with the Disposal Agreement.
- (c) **Consideration:** the consideration payable to the Company will be a \$6,000,000 payment comprising:
 - (i) \$1,000,000 (plus GST or VAT, if applicable) on the date of completion of the SPA (**Completion**) (**Completion Payment**); and
 - (ii) \$1,000,000 (plus GST or VAT, if applicable) on 1st anniversary of the date of Completion (or any earlier date the Buyer choses (**First Deferred Payment**); and
 - (iii) \$4,000,000 (plus GST or VAT, if applicable) on the 2nd anniversary of Completion, or any earlier date the Buyer chooses (**Second Deferred Payment**).

Each of the First Deferred Payment and the Second Deferred Payment will be treated as a debt due and payable on the 2nd anniversary of the date of Completion (if not paid before that time) and no amount may be set off, withheld or deducted from the amount when due. The Company will have security over all the assets and rights of the MRT Business and the S2Go business securing each of the First Deferred Payment and the Second Deferred Payment until each of the First Deferred Payment and the Second Deferred Payment is paid in full.

- (d) Completion of the Disposal Agreement is conditional upon the satisfaction of the following outstanding conditions:
 - (i) no material adverse change occurring with respect to affairs and financial condition and prospects of the Subsidiary or Secure2Go (it being acknowledged that the Company intends to acquire Jaxsta Holdings Pty Ltd as part of an overall restructure);
 - (ii) the Subsidiary or the Company employees who work at the Subsidiary business entering into new employment or consultancy agreements with Secure2Go or the Subsidiary on overall terms no less favourable than their current terms;
 - (iii) Secure2Go having completed a capital raising of at least \$2 million; and

- (iv) completion of the pre-completion restructure whereby the Company will offer Ahn Dang the chance to enter into a new employment agreement with Secure2Go or the Subsidiary on terms no less favourable than his current employment terms.

The parties must co-operate with and do all things reasonably necessary to procure that the conditions precedent are fulfilled as soon as reasonably practicable and in any event no later than midnight (Sydney time) on 30 November 2018 (or any later date agreed by the Company and the Buyer).

(e) **Completion**

Settlement of the Disposal will occur 5 business days after the last of the conditions precedent under the Disposal Agreement has been satisfied or waived or such other date as the parties agree in writing.

(f) **Warranties**

The Disposal Agreement will include customary warranties and indemnities from the Company for a transaction of this type.



10. ADDITIONAL INFORMATION**10.1 Litigation**

As at the date of this Prospectus, neither Mobilarm or Jaxsta or any of their respective subsidiaries are involved in any material legal proceedings and the Directors and Proposed Directors are not aware of any legal proceedings pending or threatened against Mobilarm or Jaxsta or any of their respective subsidiaries.

10.2 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special

arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) Shareholder liability

As the Shares under the Prospectus are fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) Future increase in capital

The issue of any new Shares is under the control of the Board of the Company as appointed from time to time. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares and other Securities as they shall, in their absolute discretion, determine.

(h) Variation of rights

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of votes validly cast for Shares at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

10.3 Terms of CEO Options

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be A\$0.20 (**Exercise Price**)

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) five years from the date of issue (**Expiry Date**). An Option not exercised after Vesting and before the Expiry Date will automatically lapse on the Expiry Date.

(d) Vesting

The Options will vest as follows:

- (i) 500,000 tranches will vest for each A\$0.10 increase in the Company's Share price (measured on a VWAP basis so that each increment increase has to exist for at least 30 consecutive ASX trading days) from A\$0.20;
- (ii) in the event of a takeover, change of control or sale of the business all of the Options will immediately vest and be exercisable provided that the Company's Share price is a minimum of A\$1.10;
- (iii) any unexercised Options will expire 5 years from the date of issue; and
- (iv) the Board will retain the right to amend or waive any of the vesting conditions at its own discretion.

(e) Exercise Period

The Options are exercisable at any time from the date of Vesting in accordance with sub-paragraph (d) up until the Expiry Date (**Exercise Period**).

(f) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

10.4 Terms and conditions of Lead Manager Options

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be A\$0.30 (**Exercise Price**)

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) five years from the date of issue (**Expiry Date**). An Option not exercised after Vesting and before the Expiry Date will automatically lapse on the Expiry Date.

(d) Vesting

The Options will vest as follows:

- (i) one third of the Options will vest when the Share price hits \$0.30 for a period of 5 consecutive trading days;
- (ii) one third of the Options will vest when the Share price hits \$0.40 for a period of 5 consecutive trading days; and
- (iii) the final third of the Options will vest when the Share price hits \$0.50 for a period of 5 consecutive trading days.

(e) Exercise Period

The Options are exercisable at any time from the date of Vesting in accordance with sub-paragraph (d) up until the Expiry Date (**Exercise Period**).

(f) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

10.5 Summary of Employee Option Plan

(a) Eligibility: Participants in the Plan may be:

- (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Options under the Plan (**Participants**).

(b) Offer: The Board may, from time to time, in its absolute discretion, make a written offer to any Participant (including a Participant who has previously received an offer) to apply for up to a specified number of Options, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.

(c) Plan limit: The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

- (d) **Issue price:** unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Options due to:
 - (i) the Participant ceasing to be a Participant due to death or total and permanent disability; or
 - (ii) a Change of Control (defined below) occurring; or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
 - (i) an unauthorised dealing in the Option;
 - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to vest the Option (eg due to death, total and permanent disability);
 - (iii) in respect of unvested Option only, a Participant ceases to be a Participant, unless the Board exercises its discretion to vest the Right (eg due to death, total and permanent disability) or allow the unvested Options to remain unvested after the relevant person ceases to be a Participant;
 - (iv) in respect of vested Options only, a relevant person ceases to be a Participant and the Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be a Participant;
 - (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Participant;
 - (vi) the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Option;
 - (vii) the expiry date of the Option; and
 - (viii) the 7 year anniversary of the date of grant of the Option.
- (h) **Not transferrable:** Options are only transferrable with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in

bankruptcy.

- (i) **Shares:** Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer below) from the date of issue, rank on equal terms with all other Shares on issue.
- (j) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.
- (k) **Share Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to a Participant (or their eligible nominee) on exercise of those Options up to a maximum of seven (7) years from the grant date of the Options.
- (l) **No Participation Rights:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- (m) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (n) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Option granted under the Plan including giving any amendment retrospective effect.

Definitions: Capitalised terms used in the above summary are as defined in the Plan, including:

Change of Control means:

- a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

10.6 Interests of Directors and Proposed Directors

Other than as set out in this Prospectus, no Director or Proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

10.7 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Greenwich & Co Audit Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 0 of this Prospectus. The Company estimates it will pay Greenwich & Co Audit Pty Ltd a total of \$15,000 (excluding GST) for these services. In the previous two years the Company has paid fees of \$41,250 to Greenwich & Co Audit Pty Ltd for services provided to the Company.

Steinepreis Paganin has acted as the solicitors to Company in relation to the Offer. The Company expects that it will pay Steinepreis Paganin \$115,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. In the previous two years the Company has paid fees of \$128,000 to Steinepreis Paganin for services provided to the Company.

Bell Potter has acted as the Lead Manager to the Offer. The Company expects that it will pay Bell Potter up to \$420,000 (excluding GST) for these services. In the previous two years the Company has not paid any fees to Bell Potter.

10.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Elderton Capital has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 0 of this Prospectus in the form and context in which the information and report is included. Elderton Capital has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

DKF PA Partners Pty Ltd has given its written consent to being named as auditor of Jaxsta in this Prospectus. DKF PA Partners Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Walker Wayland Audit (WA) Pty Ltd has given its written consent to being named as auditor of the Company in this Prospectus. Walker Wayland Audit (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Bell Potter has given its written consent to being named as the lead manager to the Offer in this Prospectus. Bell Potter has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

The Proposed Directors have each given their written consent to being named as the proposed directors of the Company and to all other information relevant to them in this Prospectus. The Proposed Directors have not withdrawn their consents prior to the lodgement of this Prospectus with the ASIC.

10.9 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$670,000 (assuming full subscription) and \$550,000 (assuming minimum subscription) and are expected to be applied towards the items set out in the table below:

Item of Expenditure	\$5,000,000 minimum subscription under Offer (\$)	\$7,000,000 full subscription under Offer (\$)
ASIC fees	3,206	3,206
ASX fees	108,000	110,000
Legal fees	115,000	115,000
Investigating Accountant's Fees	15,000	15,000
Lead manager fees	300,000	420,000
Printing, Distribution and Miscellaneous	8,794	6,794
TOTAL	550,000	670,000

10.10 Continuous disclosure obligations

As the Company is admitted to ASX's Official List, the Company is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants is also managed through disclosure to the ASX. In addition, the Company posts this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.11 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application

Form and fully read those documents. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.mobilarm.com.

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to or accompanies a hard copy of the Prospectus or a complete and unaltered electronic copy of this Prospectus. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

10.12 Governing law

The Offer and the contracts formed on return of an Application Form are governed by the laws applicable in Western Australia, Australia. Each person who applies for Shares pursuant to this Prospectus submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia, and the relevant appellate courts.

11. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink, appearing to read 'Ken Gaunt', with a large initial 'K' and a stylized 'G'.

Robert "Ken" Gaunt
Director & Chief Executive Officer
For and on behalf of
Mobilarm Limited



12. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

Acquisition means the acquisition of 100% of the ordinary shares of Jaxsta in accordance with the Acquisition Agreement.

Acquisition Agreement means the share purchase agreement between the Company, Jaxsta and the Vendors dated 22 May 2018 the material terms of which are summarised in Section 9.1.

Application Form means an application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

Bell Potter means Bell Potter Securities Limited (AFSL 243480).

Board means the board of Directors as constituted from time to time.

Business has the meaning given in Section 8.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Cleansing Offer means the offer of Shares described in Section 3.1.2.

Closing Date means the closing date of the Offer as set out in the indicative timetable in Section 0 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **Mobilam Limited** means Mobilarm Limited (ACN 106 513 580).

Conditions has the meaning set out in section 2.4.

Consideration Securities means 105,899,786 ordinary shares in Mobilarm.

Consolidation means the consolidation of the issued securities of the Company existing at the date of the Notice of Meeting on a one (1) for ten (10) basis (rounded up to the nearest whole number).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Prospectus.

General Meeting means the meeting of Shareholders to be held on 17 August 2018 at which the Shareholders will consider and vote on the resolutions outlined in the Notice of Meeting including the Acquisition Resolutions.

Jaxsta means Jaxsta Holdings Pty Ltd (ACN 612 656 372 and its subsidiaries.

Jaxsta Platform has the meaning given to that term in Section 2 B.

Jaxsta Shares means 100% of the issued shares in Jaxsta.

MRT Business has the meaning given to it in Section 4.1.

Notice of Meeting means the Company's notice of general meeting and explanatory statement dated and released on ASX on 16 July 2018 in relation to the General Meeting.

Offer means the offer pursuant to this Prospectus, as set out in Section 0.1 of up to 35,000,000 Shares at an issue price of \$0.20 per Share to raise \$7,000,000, with a minimum subscription of \$5,000,000.

Offers means the Offer and the Cleansing Offer.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proposed Directors means Launa Inman, Jacqueline Louez Schoorl, Linda Jenkinson and Brett Cottle who will be appointed to the Board of the Company upon completion of the Acquisition.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Security means a security issued or to be issued in the capital of the Company, including a Share or an Option.

Settlement means settlement of the Acquisition in accordance with the terms of the Acquisition Agreement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Vendors means each party listed in Part A, Part B and Part C of Schedule 1 of the Acquisition Agreement.

Voluntary Restriction Agreements has the meaning given in Section 5G.

WST means Western Standard Time as observed in Perth, Western Australia.