

Date: 31 October 2016

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## **Mobilarm continues strategic transition**

- Receipts from customers of \$1.3M for the quarter.
- Order performance of \$1.3M for quarter.

Global marine safety equipment provider Mobilarm Limited (ASX: MBO) today reported quarterly receipts from customers of \$1.3M, compared to \$1.8M last year. Customer orders for the quarter were \$1.3M, compared to \$1.4M last year.

Mobilarm Chief Executive Officer Ken Gaunt commented: "We continue to see shifts in the global market and we continue to adapt accordingly with regard to new technologies and customer requirements. We have deployed new remote service capabilities with select global partners during the period aimed at expanding our reach for longer-term revenues. We have a significant pipeline of opportunities in our key markets and expect to close these during the course of the year."

"Our strategy to balance our operation through continuing to increase our Jaxsta investment, as funding is required, is on track and now stands at 7.7 % with the option to increase this to 40%. Jaxsta continues to increase its Data Partner Base and we believe our ongoing investment has the potential to create substantial returns for all our shareholders. The Jaxsta team expect to launch in 2017 and further information can be found on [www.jaxsta.com](http://www.jaxsta.com)."

Mobilarm Chief Financial Officer Jorge Nigaglioni commented: "2017 is a key year in our long term strategy. We have commenced the transition on both the service engagement and delivery. We are focused on product and market changes as well. These activities as well as the diversification strategy will allow us to deliver improved revenues and margins going forward."

-Ends-

### **Further details**

Ken Gaunt  
**Chief Executive Officer**

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***Mobilarm Limited (ASX: MBO) and its 100% owned subsidiary MRT (UK) is involved in the development, manufacturing and sale of a Man Overboard Safety Systems provided to the offshore oil & gas industries, commercial marine industries, defence, and government & regulatory agencies internationally. MBO currently operates in the UK, Australia, Nigeria and USA.***

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Mobilarm Limited

**ABN**

15 106 513 580

**Quarter ended ("current quarter")**

30 September 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,272	1,272
1.2 Payments for		
(a) research and development	(32)	(32)
(b) product manufacturing and operating costs	(300)	(300)
(c) advertising and marketing	(5)	(5)
(d) leased assets	-	-
(e) staff costs	(474)	(474)
(f) administration and corporate costs	(549)	(549)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(65)	(65)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(152)</b>	<b>(152)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(1)
(b) businesses (see item 10)	-	-
(c) investments	(150)	(150)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(151)</b>	<b>(151)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(1,600)	(1,600)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(1,600)</b>	<b>(1,600)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,373	2,373
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(152)	(152)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(151)	(151)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,600)	(1,600)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>470</b>	<b>470</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	470	470
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>470</b>	<b>470</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

121

-

Payments were for salaries or director fees and travel expenses.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

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**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

**Total facility amount  
at quarter end  
\$A'000**

**Amount drawn at  
quarter end  
\$A'000**

\$3,512

\$1,512

The Company also has an additional \$971,525 in convertible debt, convertible that expires on the 7th of March 2017 and carries an interest rate of 6.0%. The note is convertible by the noteholder upon giving the Company thirty days notice at the lower of \$0.007 per share or the price of any new Entitlements Issue. The note can be converted by the Company at the expiration date at a price that equals 80% of the trailing 30 day VWAP at the time of expiry.

The Company had \$2,000,000 in convertible notes entered into on the 30th of January 2016. These carry a 12% interest rate and are convertible at \$0.06 per share. \$1,600,000 were repaid and the remaining \$400,000 was extended to October 2016 and has been repaid.

The Company entered into a \$2,000,000 convertible note facility on the 30th of September 2016. The facility carries a 12% interest rate and is convertible at the lower of \$0.04 per share or the price of any future capital transaction during the term of the note.

**9. Estimated cash outflows for next quarter**

**\$A'000**

9.1 Research and development

(50)

9.2 Product manufacturing and operating costs

(300)

9.3 Advertising and marketing

(10)

9.4 Leased assets

-

9.5 Staff costs

(475)

9.6 Administration and corporate costs

(450)

9.7 Other (investment in Jaxsta)

(450)

**9.8 Total estimated cash outflows**

**(1,735)**

**10. Acquisitions and disposals of  
business entities  
(items 2.1(b) and 2.2(b) above)**

**Acquisitions**

**Disposals**

10.1 Name of entity

10.2 Place of incorporation or  
registration

10.3 Consideration for acquisition or  
disposal

10.4 Total net assets

10.5 Nature of business

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



31 October 2016

Sign here: .....  
(Director)

Date: .....

Jorge Nigaglioni

Print name: .....

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.